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I. Organizational matters

1. The President, H. E. Mr. Vladimir Galuška (Czech Republic), opened the session. He presented an overview of items to the Executive Board and noting in particular that funding commitments for both UNDP and UNFPA as well as the first multi-year funding framework for UNFPA would be discussed at the present session. The subject of funding needed close examination by the Board, particularly with regard to upholding the legislation adopted by the Board in recent years.

2. Following the first regular session in January 2000, the Bureau of the Board had met three times, including that morning. Topics of discussion included the outcome of the first regular session and plans for the second regular and annual sessions. The Bureau also examined the planning of future sessions of the Executive Board, an item that would be discussed at the present session. The Bureau had approved the arrangements for the field visits of the Executive Board in 2000: to Mali and Mauritania in April, and to Cambodia in May.

Agenda and work plan

3. The Secretary of the Executive Board elaborated on the elements contained in the provisional agenda, annotation, list of documents and tentative work plan (DP/2000/L.2 and Rev.1). She informed the Board that a revised work plan had been distributed. In addition to the documents listed in DP/2000/L.2 and Rev. 1, the following conference room papers had been produced and distributed: report on voluntary contribution to UNFPA general resources for 2000-2003 (DP/FPA/2000/CRP.4); report on regular funding commitments to UNDP and its associated funds and programmes for 2000 and onwards (DP/2000/CRP.6); UNIFEM execution of UNDP projects and programmes: a joint UNDP/UNIFEM position paper (DP/2000/CRP.7); and evaluation of the relationship between UNOPS and UNDP: a joint review of the recommendations (DP/2000/CRP.8). Several informal meetings would be held during the second regular session, including a briefing on Mozambique, the launch of *Overcoming Human Poverty: UNDP Poverty Report 2000* and a briefing on progress in developing the results-oriented annual report (ROAR) 1999. The Secretary noted that the summary of the discussion of item 5, reports to the Economic and Social Council, to be included in the report of the second regular session, would be submitted to the Board at the present session for its adoption and transmittal to ECOSOC in time for its substantive session 2000. The President's summary of the joint session of the Executive Boards of UNDP/UNFPA, UNICEF and WFP held in January 2000 would be available to the Board at the present session.

4. One delegation requested information on the rationale for the submission of the report on the UNDP role in crisis and post-conflict situations under item 6, Business Plans 2000-2003. The Secretary explained that at the first regular session 2000, the Administrator, in presenting his Business Plans 2000-2003, had noted that some aspects of the work of UNDP had not been covered and would be discussed at future sessions of the Executive Board. The Administrator had promised to revert to the Board with an update at the present session on the UNDP role in crisis and post-conflict situations and on the role of UNDP in United Nations reform at the annual session 2000.

5. The Executive Board approved the agenda and revised work plan for its second regular session 2000 (DP/2000/L.2 and Rev.1), as orally amended.

6. The Executive Board approved the report of the first regular session 2000 (DP/2000/9).

Schedule of future sessions

7. The Secretary of the Board stated that the proposed dates of future sessions in 2000 and 2001 had been discussed with the Bureau, which had in turn discussed those dates within their regional groups. She noted that a proposal was made to hold a two-week first regular session in 2001, so that a regular session previously scheduled for March could be cancelled. The agenda for the annual session 2000 was contained as an annex to the overview decision. Special events for both UNDP and UNFPA were planned. In the case of UNDP, the special event would focus on the future of United Nations operational activities, with the tentative participation of the executive heads of the International Labour Organization and the World Health Organization. The UNFPA special event would focus on adolescent reproductive health. Two items previously scheduled for discussion at the annual session, the annual report on evaluation and the report on proposals for revisions in the multi-year funding framework (MYFF) would be postponed to future sessions.

8. One delegation took the floor to express support for the three sessions, noting that it was not the number of sessions that was important, but rather the methods of work and functioning of the Executive Board that needed attention. The representative also requested further information on the nature of the UNDP special event. The Director of the Bureau for Resources and Strategic Partnerships explained that the UNDP special event was still a work-in-progress. The general idea was to launch a dialogue on the future of the operational activities work of the United Nations. The views of Board members on the event would be welcomed.

9. The Executive Board agreed to the following schedule of future sessions of the Executive Board in 2000:

Annual session 2000: 13-23 June 2000 (Geneva)

Third regular session 2000: 25-29 September 2000 (subject to the approval of the Committee on Conferences)

Agreed to the following tentative schedule of future sessions of the Executive Board in 2001:

First regular session 2001: 29 January-10 February 2001
Annual session 2001: 11-22 June 2001 (New York)
Second regular session 2001: 10-14 September 2001

10. The Executive Board agreed to the work plan for the annual session 2000 of the Board, as contained in the annex to decision 2000/10.

11. The Executive Board took note of the Administrator's plan to pursue consultations with all partners to explore their individual interest in convening a ministerial-level meeting to address the current funding situation of the organization

at the earliest appropriate date, taking into account all comments made during the present session on that issue.

UNFPA segment

II. UNFPA: Sector-wide approaches

12. The Executive Board had before it a conference room paper (CRP) entitled UNFPA and sector-wide approaches (DP/FPA/2000/CRP.3). The paper had been submitted in response to decision 99/4.

13. In introducing the conference room paper on UNFPA and sector-wide approaches (SWAps), the Deputy Executive Director (Programme) noted that it was based on extensive discussions with national counterparts, United Nations agencies, the World Bank, bilateral donors and civil society groups; a review of relevant documents; and the results of a field inquiry involving 12 UNFPA country offices in countries where SWAp processes were ongoing. In preparing the paper (DP/FPA/2000/CRP.3), UNFPA had greatly benefited from its participation in a seminar in February 2000 on "Sector-wide approaches with a focus on partnership", hosted by Irish Aid in Dublin, Ireland, on behalf of the Like-minded Donor Group Working on SWAps.

14. The Deputy Executive Director noted that SWAps were grounded on the principle of building genuine partnerships in the delivery of development cooperation through the establishment of common goals agreed between the donor community and the programme country. Hence, SWAps aimed to bring greater coherence to a sector through the promotion of a programme rather than project approach; reduce fragmentation of development assistance; strengthen national institutional capacity; and enhance public sector reform and the effectiveness of public sector expenditures. While observing that SWAps were a relatively new modality of cooperation, she pointed out that their usefulness was increasingly being recognized by all the parties involved, programme countries and donors alike, but there were some concerns which had been acknowledged quite openly by all of them. Often, the sectoral programme was not sufficiently owned by the national partners, and its implementation required endorsements at several institutional levels of the government as well as by different branches, including financial, technical and legislative. Furthermore, participation of civil society groups had been weak. A key concern had been the accountability of resources and the limited national capacity to track the use of resources under the SWAp modality. That had prompted some donors to participate in SWAps through parallel financing instead of contributing to a "common basket", as initially envisaged. Also, it appeared that in some countries the process of developing a sectoral programme had been driven by external agencies instead of by the national counterpart.

15. The Deputy Executive Director underscored that since the Executive Board's discussion last year on SWAps, UNFPA had actively encouraged its country offices to take part in sectoral initiatives, especially in the health and education sectors. For example, in Ethiopia, UNFPA had ensured that the reproductive health dimension, gender concerns, and the appropriate selection of indicators were part of the health SWAp. In Ghana, UNFPA was involved, through parallel financing, in the ongoing review of health sector priorities and performance and was working closely with

national counterparts to strengthen data collection and analysis capacity. Several other examples were included in the paper before the Board. UNFPA had gained considerable experience from participating in SWAps and while it shared the concerns of others regarding accountability, funding mechanisms, national ownership and the involvement of stakeholders, the Fund believed that SWAps were a step in the right direction.

16. She underscored that in the future UNFPA would continue to actively participate in sectoral programmes as a partner in the planning and policy discussions and would work towards promoting national ownership of the process. UNFPA was committed to utilizing the modality as a means of securing the implementation of the key actions agreed to at the United Nations General Assembly Special Session on the ICPD+5 review. UNFPA would place special emphasis on ensuring that reproductive and sexual health, reproductive rights as well as population and development concerns were part of the sectoral reform process; gender concerns were incorporated into policy frameworks; increasing attention was given to addressing the HIV/AIDS pandemic; and the quality of data gathering and analysis was improved. The Fund would also participate in sectors other than health and education, to the extent feasible, given its limited human resources at the country level. Such involvement would be influenced by the country situation and the Fund's comparative advantage. Furthermore, the Fund would work with its national and other partners to seek to establish clear links with other development frameworks, such as the Common Country Assessment (CCA), the United Nations Development Assistance Framework (UNDAF), the World Bank's Comprehensive Development Framework (CDF) and the Poverty Reduction Strategy Paper (PRSP).

17. Concerning operational constraints, the Deputy Executive Director noted that UNFPA would continue to work with its United Nations Development Group (UNDG) partners to harmonize its rules and regulations, with the goal of simplifying current procedures and reducing the administrative burden on national counterparts, while maintaining the necessary level of accountability and reporting requirements. In the meantime, UNFPA would pursue the parallel financing mechanisms, and in circumstances where reproductive health was an explicit component of the SWAps and adequate monitoring and reporting procedures were in place, the Fund would consider contributing a limited part of its support to a "common basket", on a case-by-case basis in accordance with its current rules and regulations. As the Fund's participation in SWAps evolved, a priority for UNFPA would be to ensure close alignment with the work on the Fund's multi-year funding framework (MYFF), particularly in relation to the selection of appropriate indicators and reporting on results at the output level. UNFPA planned to undertake several activities to promote its involvement in SWAps, including the preparation of internal guidelines; the orientation of UNFPA staff in future training activities as well as at the Fund's upcoming global meeting; discussion of the SWAp modality at the next meeting of the WHO/UNICEF/UNFPA Coordinating Committee on Health; and work with its UNDG partners to develop national capacities as well as common financial arrangements and to document relevant experiences and lessons learned.

18. During the ensuing discussion, several delegations took the floor to welcome the Fund's increased participation in SWAps and encouraged UNFPA to continue to strengthen its participation, particularly in the areas of reproductive health, population and development, and comprehensive advocacy for gender equality and equity and the empowerment of women. Many delegations thanked UNFPA for a

thoughtful and good paper and praised the introduction provided by the Deputy Executive Director (Programme). Key issues that the delegations focused on included the "common basket" funding modality; indicators; and training. Several delegations stressed that the "common basket" was the ideal funding modality for SWAps, and in that regard they encouraged UNFPA to review its financial rules and regulations and procedures. Some delegations noted that any proposed changes in the financial regulations should first be submitted to the Advisory Committee on Administrative and Budgetary Questions. A number of delegations noted that the Fund's participation in the "common basket" should be determined on a case-by-case basis where UNFPA was satisfied that adequate monitoring and reporting mechanisms were in place.

19. A number of delegations emphasized the need for meaningful indicators and urged UNFPA to play a key role in that area. One delegation supported UNFPA in its efforts to use, as much as possible, indicators from the CCA and UNDAF processes. Another delegation pointed out that the Fund's work in the area of reproductive health indicators and data systems would be of particular value to SWAps. Several delegations welcomed the Fund's efforts with all partners to ensure that appropriate indicators were included in the SWAps. Concerning training, a number of delegations stressed the importance of training all UNFPA staff regarding SWAps, particularly the staff in UNFPA country offices and Country Technical Services Teams (CSTs). Some delegations underscored that it was equally important to provide training to programme country staff. One delegation stated that the training should be coordinated with other agencies, as appropriate.

20. One delegation, speaking also on behalf of another delegation, stated that it was delighted that UNFPA had been able to participate in a recent seminar on SWAps, hosted by its country. The delegation stressed that SWAps could provide the means by which true partnership and true ownership could flourish in programme countries. The delegation, while commending UNFPA for the progress made with regard to SWAps, urged the Fund to do even more to expand its participation in SWAps. Referring to paragraph 29 of document DP/FPA/2000/CRP.3, the delegation called on UNFPA to change its rules and procedures to allow it to participate fully in SWAps. It urged UNFPA to evolve to a position where it would be able to put funding in a "common basket" without using the parallel funding mechanism. The delegation was pleased that UNFPA was actively pursuing the issue in UNDG to ensure that the funds and programmes could participate in SWAps in the context of UNDAF. The delegation underscored that for SWAps to work the commitment of all development partners was needed. However, the World Bank, under its current financial procedures, could not participate in SWAps. The delegation therefore urged all who were interested in pursuing the success of SWAps to engage their representatives at the World Bank to ensure that Bank mechanisms would allow it to participate in SWAps.

21. Another delegation supported the Fund's involvement in SWAps in its own country and noted that SWAps were the best means for avoiding duplication of efforts in reaching a specific sector's development goals. The delegation agreed that SWAps ensured government ownership by adopting common approaches across a sector and relying on government procedures to disburse and account for all funds. Referring to the education and health sector investment programmes in its country, the delegation noted that in those two sectors UNFPA had a key role to play in areas such as reproductive health, HIV/AIDS prevention and gender concerns. The

delegation added that the involvement of UNFPA in the preparatory process of SWAps in its country had been highly significant and recommended that UNFPA continue to play a role in the development and implementation of the education and health SWAps.

22. One delegation urged UNFPA to bring the issue of effective engagement in the SWAps to the attention of UNDG and the WHO/UNICEF/UNFPA Coordinating Committee on Health. The delegation added that in considering a framework for UNFPA participation in SWAps, the effort to reach an acceptable level of monitoring and reporting procedures should be seen as a collective responsibility. UNFPA should use its participation in pooled funding arrangements as a catalyst for insisting on and supporting systems for monitoring and reporting, including financial reporting. In the delegation's own country six major donors were currently operating on that premise. The delegation endorsed the Fund's caution in selecting countries for pooled funding arrangements. However, it urged that rather than participate in pooled arrangements only where reproductive health was an explicit component of SWAps, UNFPA should be more proactive in participating in pooled funding arrangements. That would gain it a ringside seat to enable it to advocate strongly for reproductive health issues and ensure that reproductive health was a consistent component of SWAps. In that regard, national strategies would benefit from the Fund's technical expertise and experience in the area of reproductive health. The delegation added that training on SWAps was important and should involve programme country staff as well as UNFPA staff. At the country level a multiplicity of terms and processes could undermine coordination; it was therefore important to work on how to effectively coordinate in programme countries such processes as SWAps, UNDAF, CDF and others.

23. Another delegation observed that SWAps had not been completely successful in all programme countries. To a large extent the problems arose from start-up difficulties. The delegation encouraged programme countries to intensify their own efforts in implementing SWAps. The delegation stated that the Fund's use of the logical framework in programme planning and of the MYFF was well-suited for defining results and indicators. The delegation welcomed the Fund's efforts in cooperating with all programme countries to ensure the use of suitable indicators in the SWAps. One delegation, while commending UNFPA for its thoughtful participation in SWAps in several countries, stated that it was important to continue with caution and encouraged the Fund to collect and share best practices and lessons learned at all stages of the process. The delegation agreed that improving the quality of data gathering and analysis should be a priority area for UNFPA. The delegation appreciated that UNFPA was working to better align its monitoring and reporting and other administrative mechanisms with those of the SWAps. The delegation observed that the type of coordination involved in SWAps was labour-intensive and the Fund's level of involvement should be considered taking into account other coordination mechanisms such as the UNDAF.

24. One delegation, while noting that it was pleased that UNFPA had encouraged its country offices to take part in all sectoral initiatives, stated that the involvement of country office staff was crucial to guarantee successful implementation of SWAps. In that regard, the delegation requested UNFPA to ensure adequate staff training on SWAps and suggested that such training be done in collaboration with UNDG partners, where appropriate. The delegation concurred with UNFPA that reproductive health was a multisectoral area and hence the Fund's involvement in

the health SWAp should be seen in a wider perspective that included education, gender issues and social welfare. The delegation pointed out that UNFPA had to play an important advocacy role to ensure that reproductive health and rights and population variables were included in the relevant sectors.

25. Another delegation, noting that its own Government had adopted measures to enable it to participate in SWAps, expressed appreciation for the Fund's engagement in sector-wide policy development. The delegation was concerned about the possibility of UNFPA becoming unable to trace its own contribution to the sector-wide outputs. It emphasized that before conducting staff training on how SWAps linked with other Fund-wide initiatives such as the MYFF, it was important to ensure that the visibility of UNFPA efforts was retained and enhanced with the use of the "common basket". In that context, the delegation asked to be informed at a later stage on how UNFPA participation in the "common basket" would enhance the achievements of MYFF outputs. The delegation stated that its preference was that UNFPA seek the prior consent of the Executive Board in cases where it wished to pool some of its core resources in the "common basket".

26. One delegation encouraged UNFPA to continue its analysis of lessons learned at country level and underscored that UNFPA was uniquely placed to bring reproductive health advocacy and technical excellence to the planning and monitoring of SWAps. The delegation believed that the Fund's role in ensuring that reproductive health was properly addressed within SWAps was essential to promote universal access to reproductive health care and services. The leadership role that the delegation would like UNFPA to play in the area of reproductive health commodities was directly linked to the Fund's role in SWAps, namely, to help countries make sure that they had frameworks in place for ensuring people's access to essential reproductive health commodities. The delegation observed that the Fund's overall track record in the area of SWAps was mixed, and it urged UNFPA to be equipped to engage in SWAp processes in all its priority countries. Training and guidance must be offered to all UNFPA country offices so that they were clear about their role and responsibilities for involvement in SWAps. In that regard, the delegation offered its country's assistance in the preparation of guidance and case study/lessons learned materials. The delegation added that UNFPA should work with other United Nations agencies towards a common United Nations approach to SWAps and noted that Bangladesh offered one example of United Nations agencies working together through the CCA process.

27. One delegation, speaking also on behalf of another delegation, was encouraged to see the Fund's commitment to SWAps and noted that UNFPA had a critical role to play, particularly with regard to normative strategies. The delegations were concerned about the absence of sexual health and reproductive rights in SWAps. The delegations concurred that UNFPA CSTs should play a key role in SWAps. One of the delegations offered to share its training experiences with the Fund.

28. One delegation, while acknowledging the merits of applying SWAps in some sectors, fully agreed with UNFPA that certain issues were multisectoral and overlapping and could not be adequately addressed within the boundaries of one sector. The delegation suggested that SWAps be applied in areas where they would make the most difference in terms of effectiveness and urged UNFPA to play the role of standard-bearer and principal advocate for the effective implementation of the ICPD Programme of Action and key actions adopted at the United Nations

General Assembly Special Session on ICPD+5. Another delegation viewed SWAps as an important vehicle for greater coherence and synergy in programming. The delegation stated that in aligning the SWAps with the MYFF it would be useful to develop some analysis on the synergistic effects and added-value resulting from SWAp arrangements. The delegation welcomed the analysis presented in the paper, particularly the emphasis given to ensuring national ownership of the SWAp process. One delegation emphasized that the SWAp was a tool and not a strategy. The delegation added that for SWAps to be effective a clear national policy and suitable budgetary procedures for "common basket" funding were necessary. The delegation noted that there should be coherence between SWAps and the MYFF. The same delegation inquired about collaboration with the World Bank concerning SWAps.

29. In her response, the Deputy Executive Director (Programme) thanked the delegations for their useful and constructive comments. She noted that UNFPA would like a seat at the table when SWAps were discussed but sometimes it was not invited. She observed that at present UNFPA could participate only on a small scale in "common basket" funding. She stated that the Fund would consult with UNDG regarding the funding mechanism for SWAps. She added that within UNDG a subgroup on SWAps had been formed and an inventory would be prepared of where the partners were. She agreed that the sharing of experience and lessons learned was very important and should take place on a regular and frequent basis. She conveyed special thanks to the delegations that had shared their experiences with the SWAp process. She added that UNFPA would endeavour to continue its involvement in the SWAps in their countries.

30. She stated that UNFPA had taken note of the offers of assistance from some delegations for the preparation of guidance and training materials on SWAps. She observed that many donors had more experience than the Fund in the area of SWAps and UNFPA could greatly benefit from that experience. Concerning the synergy between SWAps and the MYFF, she observed that the goals of the MYFF would also be reflected in the various sectors. She noted that there was no contradiction between SWAps and the MYFF - both were working towards the same goals. Regarding attribution, she observed that at the goal level it would not be possible to attribute results to UNFPA alone as many players were involved and contributed to results at that level. With reference to collaboration with the World Bank, she noted that UNFPA had had consultations with the Bank in Bangladesh, for example, and the Fund had actively collaborated with the World Bank and other donors to ensure complementarity. In conclusion, she thanked the Executive Board members for their support and noted that the area of SWAps was an evolving one and UNFPA would continue to consult with the Board as it worked to enhance its involvement in SWAps.

31. The Executive Board adopted the following decision:

2000/8. UNFPA and sector-wide approaches

The Executive Board

1. *Notes* with appreciation the report on sector-wide approaches contained in document DP/FPA/2000/CRP.3;

2. *Encourages* UNFPA to strengthen further its participation in the design and execution of sector-wide approaches in accordance with its mandate and comparative advantage, and in particular regarding normative aspects, in the areas of reproductive health, including family planning and maternal and sexual health, and population and development strategies and its comprehensive advocacy for gender equality and the empowerment of women and requests the Executive Director to report thereon to the Executive Board in the annual report of the multi-year funding framework;

3. *Also encourages* UNFPA, where feasible, to play an advocacy role to ensure that reproductive health and rights and population variables are included in other relevant sectors;

4. *Urges* UNFPA in its involvement in sector-wide approaches to pay increased attention to the growing problems caused by the HIV/AIDS epidemic;

5. *Endorses* UNFPA participation, on a case-by-case basis, in common-basket funding arrangements in sector-wide approaches where UNFPA is satisfied that adequate monitoring, reporting and accounting mechanisms are in place, taking into account the views expressed by the Executive Board at its second regular session 2000 and in this respect encourages UNFPA to join with partners to support and strengthen programme country systems for monitoring, reporting and accounting, where feasible;

6. *Requests* UNFPA to track carefully its involvement in sector-wide approaches, compiling lessons learned and good practices, including the impact UNFPA participation in common baskets has on the achievement of the multi-year funding framework outputs, and to share this knowledge with the Executive Board and, where appropriate, with Governments, donors, partners in the United Nations system and civil society organizations;

7. *Also requests* the Executive Director to keep UNFPA financial regulations under active review, taking into account any adjustment that may facilitate the full participation of UNFPA in sector-wide approaches and to present proposals on this issue to the Executive Board at its first regular session 2002 after having submitted it to the Advisory Committee on Administrative and Budgetary Questions;

8. *Further requests* UNFPA, in collaboration with United Nations Development Group partners, where appropriate, to ensure adequate staff training on sector-wide approaches to enable the full participation of UNFPA in the processes.

6 April 2000

III. UNFPA multi-year funding framework

32. The Executive Board had before it a report entitled the multi-year funding framework, 2000-2003 (DP/FPA/2000/6) prepared in response to decisions 98/24 and 99/5.

33. The Executive Director welcomed all members of the Executive Board to the second regular session 2000 and noted that the session was of special importance to UNFPA, as it would focus on a number of key issues of concern: the UNFPA multi-

year funding framework (MYFF); funding commitments to UNFPA; sector-wide approaches (SWAps); and the report to the Economic and Social Council. She observed that, in the interest of time, her statement would focus on the MYFF. She introduced and formally welcomed, Kunio Waki, the Fund's new Deputy Executive Director (Policy and Administration). She noted that he brought to UNFPA a wealth of experience from a distinguished career with the Government of Japan, UNICEF and the United Nations Development Group Office (UNDGO). She stated that the Fund would benefit greatly from his wide experience ranging across all aspects of development.

34. In introducing the report on the multi-year funding framework, 2000-2003 (DP/FPA/2000/6), she noted that the MYFF had been developed in response to the Executive Board decisions 98/24 and 99/5 which requested UNFPA to develop a MYFF that integrated programme objectives, resources, budget and outcomes, with the objective of increasing core resources. For UNFPA, the MYFF had presented an excellent opportunity to accelerate the shift towards a results-based approach that was already in motion. The process of formulating the MYFF had provided the Fund with an opportunity to reflect on its work, and to make strategic choices. The timing could not have been better given the recent completion of the ICPD+5 review process, whose outcome provided guidance on what should be UNFPA priorities. The MYFF document was in tandem with a report that UNFPA would submit to the Board's annual session 2000, which would give further details on how UNFPA intended to position itself in implementing the ICPD+5 key actions.

35. UNFPA had sought to ensure that the MYFF built on and improved what was already in place, reflected the realities of country situations, and did not impose an excessive burden on national partners and UNFPA country offices. To that end, feasibility studies had been undertaken in five countries: Burkina Faso, Nicaragua, Sri Lanka, the Sudan, and the United Republic of Tanzania. The process of developing the MYFF was marked by a high level of participation within the Fund, and extensive consultation and collaboration with partners, especially UNDP and UNICEF. UNFPA had made a particular effort to align its MYFF with the frameworks of other organizations, including adapting the terminology. At the same time, the MYFF was developed taking into account the nature and focus of the Fund's work, organizational structure, and scale of human and financial resources. Several informal consultations were held with the Executive Board, and UNFPA shared the unedited draft with Board members to ensure their full participation in the development of the MYFF. UNFPA had benefited greatly from the suggestions and advice provided by the Board. The Executive Director expressed her deep appreciation to the Governments of Canada, Denmark, Finland, Sweden and the United Kingdom for their generous financial support for the development of the MYFF.

36. Referring to the document (DP/FPA/2000/6) before the Executive Board, she noted that it had three components. The first component was the MYFF itself, which was made up of a results framework and an integrated resources framework; the latter presented two scenarios with different levels of resource requirements. The second component focused on managing for results, and discussed how organizational systems and management would be strengthened in the context of results-based management. The third component was the proposal for reporting on results.

37. In the results framework, UNFPA had tried to identify the Fund's most widely shared result areas, and the priority strategies, while at the same time allowing the flexibility that was essential in a decentralized organization working with 134 countries in widely different demographic, economic, social and cultural contexts. The results framework was a simple and straightforward one, with three goals and six outputs with corresponding indicators, and four priority strategies to achieve results. The indicators for those goals included those from the ICPD Programme of Action, the ICPD+5 key actions, the Common Country Assessment (CCA) and the Task Force on Basic Social Services For All (BSSA). While the framework related results with resources, the establishment of an explicit linkage between the two was neither feasible at the present stage, nor needed to implement the MYFF. The Executive Director noted that UNFPA looked forward to the Executive Board's guidance and experience as the Fund moved forward with the implementation of the MYFF.

38. The Executive Director pointed out that the MYFF would be implemented in UNFPA through a results-based management approach that was already under way. The Fund would further strengthen its capacity to manage for results, including orienting and coordinating existing systems towards results and improving human resource management. Programme management systems would be further sharpened to ensure accountability for results at all levels, including strategic planning, monitoring, evaluation and reporting, with an emphasis on timely analysis and feedback and the integration of lessons learned. A key part of the process would be strengthening the utilization of the logical framework (logframe) approach as a results-based programme planning and management tool. New country programmes, many of which would begin during the first two years of the MYFF period, would provide excellent opportunities to fully integrate the approach from the very beginning. UNFPA was also in the process of streamlining its financial and programme information management system. In the context of results-based management, special attention would be paid to building capacity in programme planning, strategic decision-making, monitoring, evaluation, and analytic reporting. She noted that a comprehensive plan for the institutionalization of results-based management and the implementation of the MYFF was being formulated, based on an institutional assessment.

39. She stated that UNFPA intended to report on the results identified in the MYFF, as part of the Executive Director's annual report. Each year, progress in achieving the results at the output level would be reported, as well as any notable progress at the goal level. UNFPA proposed to provide more in-depth reporting on the entire MYFF cycle, either in the last year of the MYFF or in the year after the completion of the MYFF cycle. The Executive Director requested the Executive Board's guidance on the exact timing of the reporting. For the first year of MYFF reporting, in 2001, UNFPA intended to mainly report on the process of implementation of the MYFF. The Executive Director assured the Executive Board that the Fund, at every level, was committed to the MYFF.

40. In the MYFF, UNFPA had attempted to demonstrate how different levels of resources would affect the results that could be achieved by presenting two scenarios of resource requirements -- one at $1.4 billion over the next four years, and the other at $1.6 billion. The first scenario, based on the work plan 2000-2003 as approved at the annual session 1999, would not meet the level of the current balance of commitments under approved country programmes and would adversely

affect the efforts of countries to further implement the ICPD Programme of Action. The second scenario, on the other hand, would enable UNFPA to honour its commitments and fully implement the approved country programmes. Yet even the second scenario was modest, considering the extent of needs and the commitments that were made at the ICPD.

41. The Executive Director stated that in considering the two scenarios for resource requirements, the Executive Board should bear in mind that while the second scenario might seem ambitious, it was in fact entirely feasible. She was confident that the resources could be mobilized. She underscored that the Executive Board had a golden opportunity to make a difference and to achieve concrete results with the implementation of the ICPD Programme of Action. She emphasized that UNFPA pledged its most sincere commitment to implement results-based management and the MYFF to the fullest of the Fund's ability, and she urged the members of the Board to shoulder their part of the responsibility, without which the MYFF remained critically incomplete. She hoped that the MYFF process would be the beginning of a long period of financial stability and growth for UNFPA.

42. During the discussion that followed numerous delegations took the floor to express appreciation for the Executive Director's comprehensive introduction and for the well-structured, high-quality report on the MYFF. One delegation underscored that the Executive Director's introductory remarks were visionary and realistic. That observation was echoed by a number of other delegations. Numerous delegations welcomed the newly-appointed Deputy Executive Director (Policy and Administration).

43. Several delegations noted that the MYFF was an evolving process and the document before the Executive Board (DP/FPA/2000/6) represented a good starting point, recognizing that further refinement and development would be needed based on the experience of implementation. Many delegations emphasized the usefulness of the MYFF as a management tool and stressed the importance of sharing the lessons learned. Several delegations commended UNFPA for the open consultative process it had followed in developing the MYFF and encouraged the Fund to continue in that vein. A number of delegations commended UNFPA and its staff for their commitment to the MYFF process and for the major effort undertaken to develop and prepare the MYFF. One delegation stated that the MYFF would need to be tested in the country programmes, and country offices must be involved in the target-setting, including for outputs. Numerous delegations expressed concern about the decline in the Fund's core resources and stressed that the trend must be reversed. Many delegations hoped that the MYFF would contribute to mobilizing resources for UNFPA on a sustained and predictable basis. Some delegations suggested that the relationship between results and resources should be further explored, while some other delegations stated that a direct, one-to-one correlation between the two should not be expected.

44. A range of views was expressed with regard to the resource scenarios presented in the MYFF document (DP/FPA/2000/6): some delegations considered both scenarios to be unrealistic and too optimistic; some delegations favoured the second, i.e., higher, scenario presented in the document; other delegations favoured the first, i.e., lower, scenario and considered it to be more realistic and feasible. One delegation asked how the Fund would address a situation requiring a scaling down of programmes if the first scenario was adopted. Another delegation stated that it

would prefer a "continuity scenario" based on the previous work plan approved by the Executive Board. The same delegation stressed that it was important to differentiate between realism and idealism regarding resource scenarios in the face of declining Official Development Assistance (ODA).

45. Several delegations highlighted the need for reliable data and data systems and urged UNFPA to play a key role in collaborating with its partners to improve data collection and analysis, including setting up and/or strengthening data systems and building national capacity in that area. Some delegations noted that UNFPA should develop common indicators with UNDP and UNICEF. A number of delegations stated that the Fund should use the existing indicators of the CCA, the UNDAF and the BSSA Task Force. Various views were expressed concerning reporting on the MYFF: the quadrennial report should be presented before the end of the MYFF cycle; the quadrennial report should be presented after the completion of the MYFF cycle; early reporting was desirable even if certain gaps might exist in the early stages; the reporting cycle should be harmonized with that of UNDP; the annual reporting and the funding event should take place at the same Executive Board session; and the first annual report of UNFPA should be presented in 2001.

46. One delegation, noting that the MYFF document was a very useful internal management instrument, observed that it reflected the major change process taking place within UNFPA. The delegation hoped that it would strengthen the Fund's ability to monitor and evaluate the effectiveness of its activities on a regular basis and to adapt strategies to increase programme effectiveness. The delegation observed that what the document lacked was an in-depth analysis of the outcomes of the Fund's activities which would be crucial both for assessing the success of outcomes and reformulating the Fund's policies. The delegation noted that its country's Foreign and Development Cooperation Ministry was currently involved in a comparable exercise to introduce results-based budgeting methods and offered to share that experience with UNFPA. Referring to the Fund's important role in the implementation of the key future actions of the ICPD+5 review, the delegation stated that the second resource scenario of the MYFF clearly pointed out that role. However, the first resource scenario did not give UNFPA much room for significant progress in the implementation of the ICPD+5 key actions. The first scenario would also limit the Fund's ability to have full-fledged country programmes. The delegation highlighted that the MYFF should be considered as an incentive for donors to increase their contributions and, in particular, under- performing donors should respond with major increases in their contributions. The delegation strongly favoured the second scenario and underscored that the quality of the Fund's activities depended on the availability of funds. The delegation stressed that the time to act was now.

47. Another delegation, while underscoring its consistent support to UNFPA even at a time when its own country faced severe budgetary constraints, stated that it was imperative for UNFPA to make the successful outcomes of its activities better known, so as to secure necessary funding. The delegation expected that the MYFF would provide UNFPA with a useful management tool to promote effective development and implementation of its programme of work. The MYFF would also be a tool that enabled donors to measure the impact of their contributions. The delegation hoped that in the future the framework would better reflect the linkages between objectives, results and resources and would thereby also enhance the incentives for donors to contribute to UNFPA. The delegation hoped that the linkage

between the results framework and the integrated resources framework would be reinforced by clarifying the causal relations between goals and outputs on the one hand, and strategies on the other. The delegation observed that that could also be reinforced by presenting sufficient information on how the figures in the integrated resources framework were derived. The delegation believed that a fuller logframe would have been useful in providing a total picture of outputs to be delivered by all development players to achieve the identified goals, thereby indicating the relative importance of the Fund's role in the overall effort, i.e., the Fund's comparative advantage. The delegation asked that it be kept abreast of the progress made in refining the framework.

48. One delegation, referring to the importance of an effective reporting system with an analytical focus on results achieved, stated that in order to maintain programme momentum and sustainability, the countries that had achieved good results should not be punished by lowered levels of funding. Emphasizing that results depended on resources, the delegation noted that it was imperative that the Fund's regular resource situation improved to enable UNFPA to meet the expectations for the implementation of the ICPD Programme of Action. The delegation stated that the MYFF implementation plan should focus on the following aspects: at the country level, there should be an institutional arrangement to ensure linkage between goals and expected outcomes with well-defined criteria to assess results; the assessment of results should be based on the true picture of the consequences of the interventions; to sustain programme success there should be an uninterrupted flow of resources; the necessary information regarding indicative resource allocation/funding levels should be made available at the country level at the beginning of the MYFF cycle; and there should be a well-defined mechanism for the timely mobilization of resources, including a planning exercise with broad consultations with the governments concerned. Country programmes and the MYFF should be finalized accordingly. The delegation stated that the second scenario was entirely feasible, and it called on all concerned to meet the challenge.

49. One delegation noted that it was pleased to have contributed to the Fund's efforts to develop the MYFF. It welcomed the participatory process and the pivotal role played by the new Office for Results-based Management (ORM) including the creation of an interdivisional advisory group on results-based management and the convening of a workshop few months ago. The delegation underscored the Fund's efforts in developing a set of indicators and gave full support to the four strategies. The delegation emphasized that as UNFPA could not accomplish everything alone it should work closely with its partners and make choices taking into account an appropriate division of labour. In that regard, the delegation observed that it might be useful for the Fund to build a matrix of roles and responsibilities, including its partners. With regard to indicators, the delegation observed that the lack of baseline data including gender-disaggregated data represented another challenge that might hinder the development of reliable indicators. It was a serious issue that required full cooperation among all stakeholders in terms of data collection and analysis. The delegation emphasized the need for international agencies to complete the work on the development of indicators for reproductive health. The delegation stressed the importance of using common indicators for comparability purposes, particularly because several stakeholders contributed to common goals. Given that UNICEF, UNIFEM and UNDP were concurrently embarking on results-based management, the delegation asked if the Fund would use similar indicators. The delegation also

pointed out that collaboration in data collection would result in shared costs and less burden for developing countries while ensuring coherence and comparability. The delegation considered both resource scenarios to be too optimistic.

50. Referring to paragraph 22 of the MYFF document (DP/FPA/2000/6), the same delegation asked to know what were the plans to address the issue of data collection and analysis. With reference to paragraph 31, the delegation wondered if the first output indicator — increase in percentage of service delivery points offering at least three reproductive health services — should also include the notion of affordability. To further the implementation of the MYFF, the delegation encouraged the Fund's staff to promote and share success stories and lessons learned. The delegation noted that the analysis contained in the section on the integrated resource framework seemed disjointed and regretted that the rationale developed in the section on managing for results had not been integrated in that section. Regarding the reporting on results, the delegation supported the harmonization of the reporting cycles and elements of the report with those of UNDP. The delegation encouraged UNFPA to report next year, not only on the implementation of the MYFF but also on progress made in the attainment of results, even if only in a preliminary manner.

51. One delegation stated that in the MYFF implementation process various human factors, such as the skill level, experience, and creativity of the organization's staff, should be taken into account in the realization of outputs. In fact, the successful implementation of results-based management depended on the commitment of staff at all levels. In that regard, the delegation appreciated that the Fund's MYFF included as an important input to its development, a parallel but interlinked workforce planning exercise to review and strengthen the human resource situation of UNFPA. The delegation concurred with the Fund's observation that at the goal level, improving basic conditions in a country required the concerted effort of all sectors of the community and of all development agencies. The delegation added that at the output level, many programmes were nationally executed and not all results could be attributed exclusively to the Fund. The delegation encouraged UNFPA to further expand its leadership role in the area of population and development, including reproductive health. The delegation suggested that in identifying relevant outcomes and indicators, UNFPA should avoid categorization that was overly detailed and artificial.

52. One delegation expressed concern that the lack of resources threatened to reverse the gains of the past and would hamper the functioning of the high positive correlation between population and development and negatively impact efforts in the areas of poverty alleviation, gender equality and environmental protection. The delegation stressed that the MYFF should allow countries the flexibility to select their focus and to respond appropriately within differing programming contexts. The delegation stressed that advocacy activities should be practical. The delegation reported that national efforts and the UNFPA-supported programme had yielded encouraging results in its country in the area of population and development. Significant progress had been achieved in implementing the ICPD Programme of Action. The delegation thanked UNFPA, the donors and international NGOs for their assistance.

53. One delegation, speaking also on behalf of another delegation, noted that in implementing the MYFF a key issue was how the culture of performance management and the results-based approach would be absorbed by the staff in

UNFPA. Emphasizing the importance of the "buy in" factor, the delegations commended the Fund's emphasis on identifying lessons learned and building the commitment and capacity of staff and key stakeholders to achieve results. The delegations stated that a Fund-wide training strategy for staff at all levels would be very important in the successful implementation of the MYFF. The delegations preferred that the funding event and the annual reporting occur at the same Executive Board session and suggested that the annual report be called the ROAR (results-oriented annual report) to match that of UNDP. The delegations took the view that the Fund's ability to show results could have the desired impact of leading to increased resources for UNFPA. Referring to one of the goal indicators listed in table 1 of the report (DP/FPA/2000/6), the delegations noted that while an increase in the number of women parliamentarians may have significance in and of itself, it did not necessarily give a true insight into the socio-economic or political position of women in any particular country. The delegations suggested that the indicator be revised.

54. One delegation, while noting that the effectiveness of UNFPA in achieving its mandate would attract the confidence of donors in increasing resources to the Fund, underscored the point made in paragraph 55 of the report (DP/FPA/2000/6) concerning the impossibility of establishing a one-to-one statistical link between resources and results. The delegation emphasized the importance of collaborating closely with the programme countries in refining the indicators to ensure that they reflected the reality on the ground. The delegation hoped that UNFPA and UNDP would continue to learn from each other as they implemented their respective MYFFs. The delegation was in favour of the second resource scenario.

55. While commending the participatory and thorough process followed by UNFPA, one delegation, speaking also on behalf of another delegation, emphasized the importance of linking results and resources and noted that it would be of key importance for the strategic choices in UNFPA programming at country, regional and interregional levels. The delegations stated that in developing that link between results and resources, UNFPA should take into account the contributions of others and should demonstrate synergy effects, where possible. The delegations added that the MYFF could become an important instrument in identifying where and how UNFPA input could contribute the most value-added in individual programmes.

56. One delegation emphasized the need to be realistic about what could be reported, especially in the first year of the MYFF. However, it encouraged UNFPA to provide as much information as possible on results so as to help refine the MYFF and to encourage strong contributions from donors. Commending the emphasis in the MYFF on quality as well as quantity in programmes, as outlined in paragraph 61 of the report (DP/FPA/2000/6), the delegation encouraged UNFPA to focus on achieving quality outcomes, including through staff development, even where funds were limited.

57. One delegation noted that the document should be improved on two important points. First, UNFPA should clearly state its priorities. In the report, the global goals and outputs had not been translated into concrete priorities for the coming period. The delegation suggested that UNFPA seek to answer such questions as: What are the most urgent problems UNFPA wishes to address in 2000-2003? Which countries will UNFPA concentrate its efforts on and why? Where are the largest gaps vis-à-vis the ICPD Programme of Action and the ICPD+5 key actions? What benchmarks

does UNFPA want to achieve in each key area? How? What can be achieved in the relatively short term of four years? Secondly, there should be greater precision with regard to indicators: whereas the document provided a number of indicators for each goal and output, it did not provide data on the current situation for those indicators. It would therefore be difficult to clearly judge the progress made. The delegation recognized the difficulties concerning the availability of reliable data; nevertheless, it was disappointed that in the first phase of the MYFF, UNFPA would limit its reporting to stating for each indicator, the number of countries in which progress had or had not been achieved. The delegation considered both resource scenarios to be overly optimistic.

58. To increase effectiveness, one delegation strongly encouraged UNFPA to make key output indicators time-bound, with specific and quantifiable goals for each four-year MYFF cycle. The delegation stressed the need for the MYFF to be well-understood at both the regional and country level and asked how UNFPA planned to address the need. The delegation requested UNFPA to provide a timeline of the MYFF implementation plan. The delegation strongly recommended that if budget reprogramming became necessary, then reductions should be equitably distributed among all programme areas — country, intercountry and technical advisory. The delegation noted that the Fund, like other institutions involved in results-based management, would have to wrestle with the issue of attribution of results. The delegation considered both resource scenarios to be unrealistic.

59. One delegation, while noting that the MYFF framework provided a useful basis for reporting, stated that it should not substitute for careful analysis and informed judgement of progress on priority issues within priority countries. The delegation observed that the MYFF would need to evolve to capture emerging priorities and reflect new ways of working in which UNFPA must engage. The delegation noted that it was unclear about the actions that might flow from the goal relating to population dynamics and development. It agreed that one key action would be to help strengthen national systems to monitor progress in reproductive health. The delegation added that the output indicators should reflect the extent to which UNFPA was ensuring that SWAps were helping to establish improved national policy and implementation frameworks related to increasing access to reproductive health care and services. The delegation believed that that would reflect the key role UNFPA should play as a champion for reproductive health. The delegation noted that the linkage between some of the output indicators and the strategies identified to deliver should be made more clear. The delegation wondered which output indicators might best demonstrate the effectiveness of strategies to promote, strengthen and coordinate partnerships. The delegation asked how UNFPA would know if it was becoming a better knowledge-based organization. The delegation observed that the Fund's role might not necessarily be fulfilled as a "donor" of programmes; indeed, key roles for UNFPA included supporting government dialogue with other donors, supporting the development of policy and strategy and galvanizing donor support for reproductive health within SWAps. The delegation stated that it was interested in learning about the extent to which those roles were successfully fulfilled in countries where the needs were greatest.

60. One delegation emphasized that while the MYFF would convey the Fund's international strategic priorities, national priorities should remain the basic parameters for shaping the country programme, and the MYFF should help to strengthen the Fund's ability to assist developing countries in addressing the

challenges faced in implementing the ICPD Programme of Action and the ICPD+5 key actions. The delegation added that the extent of the outputs and results achieved would depend on the level of resources available to UNFPA. The delegation urged the donor community to meet its commitments in mobilizing the resources necessary to meet the goals of ICPD and ICPD+5. The delegation stated that it was in favour of the second resource scenario. Another delegation expressing concern about the programme cutbacks in its country hoped that the trend would soon be reversed and stated that it looked forward to the appointment of a new UNFPA Representative in its country. One delegation stressed the need to train both UNFPA staff and programme country staff on the MYFF. Referring to paragraph 55 of the report (DP/FPA/2000/6), the delegation concurred that attention should be given to ensuring that the MYFF did not introduce any conditionality or result in any distortions in priorities or changes in the current system of resource allocation. Noting the decline in ODA, the delegation pointed out that a number of programmes had to be postponed in its country. The delegation called on donor countries to help reverse the trend in declining resources.

61. One delegation stated that it would have been beneficial to emphasize reproductive rights in the MYFF. While noting that it appreciated the difficulty in selecting indicators, the delegation asked if UNFPA had considered other indicators, for example, the consequence of HIV/AIDS on population structure. The delegation added that it had hoped for a more robust and active indicator on gender. The same delegation emphasized the importance of national ownership of the programme process and stated that it should be clearly included in the MYFF strategies. Another delegation, while referring to the gender goals, noted that it was not sufficient to have social goals; indeed, economic goals were needed even though they might not fall exactly within the mandated area of UNFPA. The delegation emphasized the need for UNFPA country offices to consult closely with the Government in preparing the MYFF reports. One delegation was pleased that the MYFF goals captured the mandate of UNFPA and the recommendations of the United Nations global conferences. It stated that more attention should be given in the MYFF to gender mainstreaming and that gender should cross-cut all the MYFF goals. The delegation urged UNFPA to further refine the gender indicators. The delegation encouraged the Fund to incorporate lessons learned in a timely manner.

62. One delegation, while agreeing that it was valid to set out high goals for the MYFF and have a road map on how to attain them, observed that it would be useful to have a contingency plan to avoid frustration. Another delegation hoped that the MYFF would help to increase the Fund's resources and that that, in turn, would help to increase UNFPA support for countries with economies in transition, including Eastern Europe countries. One main advantage of the MYFF was that strategic goals had been delineated taking into account country priorities.

63. The Executive Director thanked the Executive Board members for their constructive and useful comments. She thanked the delegation that had offered to share its country's experience with results-based management. Regarding the comments pertaining to gender indicators she noted that the indicator on the number of women in parliament was chosen as there was a close linkage between women's participation in politics and their reproductive health status. Nevertheless, UNFPA would re-examine that indicator. She agreed that gender needed to cross-cut all the MYFF goals. Responding to a query about HIV/AIDS indicators, she noted that the ICPD+5 benchmark indicator on HIV/AIDS had been included in the MYFF. She

added that UNAIDS was examining the issue and would provide information that the Fund would translate into policy guidance. Concerning reproductive health indicators, she observed that the BSSA Task Force had agreed on 15 indicators. As a result of the ICPD+5 review, other benchmarks had also become available. In about 4 to 6 weeks, WHO would convene a meeting with UNFPA, UNICEF, UNAIDS and others to re-examine the indicators. Concerning the lack of data at country level, she noted that the United Nations Development Group had taken up the issue and it was recognized that in particular for the UNDAF, CCA and global conference follow-up, good data were essential. She concurred that it was necessary to help all countries to set up and/or strengthen data systems. She underscored that it was also important for all programme country partners to buy into the concept. UNFPA had the advantage of having the logframe, and the Fund was stressing training for its own staff as well as for the national counterparts. The CCA and UNDAF processes emphasized the need for reliable data systems. Similarly, the WHO/UNICEF/UNFPA Coordinating Committee on Health had also stressed the importance of sound data systems. She agreed that it was important to include NGOs and other civil society organizations in advancing those efforts.

64. She commended the work of the Director, Division of Finance, Administration and Management Information Services (DFAMIS), and the Chief, ORM, who had led the Fund's efforts in developing the MYFF. She noted that UNFPA was open to learning and welcomed knowing about the experiences of other agencies. She observed that a meeting was being planned with Canada, the Netherlands, the United Kingdom and other countries and would provide an opportunity to further discuss some of the key issues raised by the Executive Board such as attribution and the linkage between results and resources. She observed that a number of the 1999 annual reports received from UNFPA country offices indicated that serious efforts were under way to focus on results, which augured well for the future, although at present not all had quantitative goals. She noted that the newer country programmes used a logframe approach with goals, purposes, outputs and indicators, whereas in the case of the older country programmes, UNFPA had tried to introduce measurable goals, purposes and outputs in the middle of the programme cycle.

65. Concerning the resource scenarios presented in the MYFF document, she stated that while some delegations believed the scenarios to be too optimistic, UNFPA believed the scenarios were realistic and doable. She noted that in the year 2000, UNFPA expected to obtain supplementary resources of about $40 million. She stated that on the next day UNFPA would be announcing a large contribution from a well-known foundation to support the Fund's work on adolescent reproductive health in Africa, particularly HIV/AIDS prevention. She observed that she had been invited earlier in the year to a meeting of private foundations in Seattle and had been impressed to learn that those foundations were providing almost $300 million a year for the area of population, including reproductive health. She added that next year the David and Lucile Packard Foundation was expected to become a major leader in grant-making in that area. She noted that some of that assistance was expected to be channelled through UNFPA. In other cases, support would be provided for programmes parallel to the UNFPA-supported country programmes. She pointed out that programme countries were themselves increasing their resources for country programmes and she welcomed that effort. She stressed that UNFPA could implement additional resources. Recalling the ICPD and ICPD+5 goals that the international community had agreed to, she underscored the collective responsibility

of all development partners. She observed that all that seemed to be lacking was political will and commitment -- she urged the international community to achieve the goals agreed to at the ICPD and the ICPD+5 review.

66. The Deputy Executive Director (Programme) thanked the Executive Board members for their comments and stated that UNFPA had taken note of the comments on priorities and resource allocations. She noted that in September 2000, as requested by the Board, UNFPA would report on its review of the resource allocation system. She assured the Board that national priorities were the most important consideration in determining country-level resource allocations. She noted that the Fund recognized the importance of an equitable distribution of resource shortfalls among programmes. She emphasized that the priorities of the country programmes were shaped by national priorities and that in each country the Government was in the driver's seat. She added that the Fund's guiding light was the ICPD Programme of Action and the ICPD+5 key actions.

67. The Director, DFAMIS, thanked the Executive Board members for their comprehensive and useful comments. He noted that the MYFF process was an evolving one and the MYFF document should be regarded as a work in progress. He observed that UNFPA was a learning organization and the Fund would continue to learn as the MYFF evolved. He thanked the delegation that had offered to share its experience from a similar results-based budgeting exercise being carried out by its Foreign and Development Cooperation Ministry. He noted that the linkages between outputs and strategies could be expanded upon in the quadrennial report to show what worked and what did not and why. Regarding the linkages between results and resources, he agreed that it was a complex issue and concurred with the delegation that had cautioned against making a one-to-one correlation or making the linkage a conditionality. He stated that UNFPA would continue to study and explore the issue of linking specific results to resources. He added that UNFPA was also engaged in improving its coding systems. In implementing the MYFF, the Fund would focus on the following key points: training at country level; a "buy-in" and a commitment by all; timelines for implementation; collaboration with all partners; contributions by programme countries and flexibility in incorporating national priorities; and close involvement of the Executive Board, including through briefings, informal consultations and reporting. He concluded by assuring the Board that UNFPA had taken note of the comments on the MYFF implementation plan and would work to refine it.

68. The Chief, ORM, thanked the Executive Board members for their useful and constructive comments. She stressed that developing the MYFF had been a learning process for UNFPA and noted that, in preparing the MYFF, the Fund had benefited greatly from the inputs and guidance provided by the Executive Board. She thanked the delegations for sharing their experiences and conveyed special thanks to the delegations that had provided support to UNFPA for the development of the MYFF. She also welcomed the offer made by another delegation to share the experience of its Foreign and Development Cooperation Ministry in the area of results-based management. She pointed out that UNFPA had endeavoured to keep the MYFF simple and straightforward so as not to impose a heavy burden on country offices and UNFPA partners. She noted that UNFPA had the advantage of being able to build the MYFF on already existing logframes at intercountry, country and subprogramme levels. She agreed on the need to test out the framework in country situations, with the participation of country offices and national partners. She stated

that UNFPA had taken note of the comments made by delegations on improving the indicators, and noted that indicators for the MYFF goals reflected ICPD, ICPD+5, CCA and BSSA Task Force indicators. The ones selected for the MYFF were those closest to the specific areas to which UNFPA contributed. Regarding the gender indicators, she noted that considerable discussion had preceded their selection, resulting in the decision to have gender equality and women's empowerment as a goal as well as mainstreaming gender in all areas. That reflected the importance UNFPA attached to the issue. Following the comments made by Board members, UNFPA would re-examine those indicators. She added that the Fund recognized the importance of economic indicators in gender equality and gender empowerment, but had tried to select those indicators where UNFPA had made direct contributions.

69. She noted that UNFPA recognized the urgent need to strengthen existing data systems and to establish realistic baselines for indicators. The feasibility studies carried out by UNFPA indicated that a great deal of work was needed at country level to build up those data systems and UNFPA country programmes would focus attention on that area. She observed that the data situation might make it difficult to report on results in the first year of the MYFF, hence UNFPA was proposing to report on the process of implementing the MYFF, although every effort would be made to report on available results. She agreed with the importance the Executive Board attached to regular, open and analytic reporting, and stressed that UNFPA was equally committed to seeing results but recognized the need to be realistic in terms of the existing data. She noted that UNFPA would continue to consult with the Board regarding the timing of the quadrennial MYFF report.

70. The Executive Board adopted the following decision:

2000/9. UNFPA multi-year funding framework, 2000-2003

The Executive Board

1. *Reaffirms* its decision 99/5 on the UNFPA multi-year funding framework (MYFF);

2. *Notes* with appreciation the report of the Executive Director on the multi-year funding framework, 2000-2003 (DP/FPA/2000/6);

3. *Welcomes* the significant achievements of UNFPA both at headquarters and in the field in developing the multi-year funding framework;

4. *Welcomes* the strategic direction of the multi-year funding framework and looks forward to its continued implementation;

5. *Requests* the Executive Director to implement the multi-year funding framework, 2000-2003, taking into account the views expressed at the Executive Board at its second regular session 2000, and the previous relevant decisions;

6. *Notes* the funding scenarios accompanying the results framework as representing UNPFA resource mobilization targets and encourages all countries in a position to do so to assist UNFPA to reach a total figure of regular and supplementary resources of $1,434 million for the period 2000-2003;

7. *Requests* the Executive Director to provide updated estimates of regular and supplementary resources in the multi-year funding framework at the third regular session 2000;

8. *Encourages* UNFPA, in consultation with the Executive Board, to evaluate regularly the actual and projected resource situation, taking into account resources received in order to contribute to programme effectiveness, and thereby to encourage all countries in a position to do so to increase their contributions to UNFPA;

9. *Requests* the Executive Director, in consultation with the Executive Board, to continue to develop and refine the multi-year funding framework as a strategic management tool at corporate and country levels, which integrates programme objectives, resources, budget and outcomes, with the objective of increasing core resources, taking into account experiences gained as the framework is implemented as well as the views expressed by members of the Executive Board at the second regular session 2000, *inter alia,*

(a) Refinement of outputs and time bound indicators;

(b) Refinement of the linkages between strategies, goals and outputs;

(c) Further exploration of the methodology for evaluating the relationship between results and available resources, recognizing that there is no direct, one-to-one statistical link between resources and results;

(d) Further development of UNFPA resource mobilization strategy;

10. *Reiterates* the need for the full engagement of programme countries at all stages in the elaboration, monitoring and reporting of the results framework;

11. *Requests* the Executive Director, from 2001 onwards and in conjunction with the announcement of voluntary core contributions to UNFPA, to report every year at the annual session, as per paragraph 81 of document DP/FPA/2000/6, on:

(a) Annual progress in contributing to the goals and achieving the outputs identified in the results framework and;

(b) Status of financial implementation of the resources framework;

12. *Also requests* the Executive Director to report to the Executive Board at its annual session 2001 and annually thereafter, on the development and refinement of the multi-year funding framework;

13. *Requests* the Executive Director to present a detailed report at its annual session 2003 on the results achieved in the cycle, lessons learned, and their implications for priority setting and formulation of the multi-year funding framework for the subsequent cycle taking into account the need to harmonize UNDP/UNFPA/UNICEF reporting cycles.

7 April 2000

IV. Funding commitments to UNFPA

Statement by the President

71. The President of the Executive Board opened the first funding meeting for UNFPA noting that it marked a historic moment. He noted that the Executive Board had before it a conference room paper (CRP) entitled report on voluntary contributions to UNFPA general resources for 2000-2003 (DP/FPA/2000/CRP.4). He observed that in decision 99/5 the Board had decided to hold the first funding meeting for UNFPA at the second regular session 2000, as outlined in paragraph 11 (b) of decision 98/24. The second regular session was designated as the time when all States members of the United Nations Population Fund (UNFPA) would announce their voluntary contributions to UNFPA as follows: a firm contribution for the current year; and for those in a position to do so, a firm contribution or indication of the contribution for the following year and a firm or tentative contribution for the third year. In addition member countries would also indicate payment schedules for the current year. The President stated that all States members of UNFPA were requested to communicate their voluntary core contributions, in writing, to the secretariat by 23 March 2000 to facilitate preparation of the funding meeting.

Statement by the Executive Director

72. The Executive Director welcomed the Executive Board members to the first funding meeting for UNFPA. In introducing document DP/FPA/2000/CRP.4, she expanded upon some of the main points on resources made earlier in the day in the course of her introductory statement on the multi-year funding framework (MYFF). She stressed the responsibility that members of the Executive Board had in fulfilling the resource requirements of the MYFF. Over the 30 years of its operations, UNFPA had raised and channelled over $4.8 billion for population assistance to over 150 countries. The introduction of the MYFF, combined with the strong support received from the donor countries, were sound reasons for some optimism that together it would be possible to achieve the MYFF resource targets necessary to help accomplish the goals of the Programme of Action of the International Conference on Population and Development (ICPD).

73. For 2000, based upon preliminary results from the pledging process and information from countries that were not in a position to pledge in April, it was estimated that general resources would reach approximately $250 million. That figure might be revised as more countries announced their pledges. The MYFF-based funding target for 2000 for general resources was $275 million. UNFPA was grateful that the members of the Executive Board would endeavour to make sure that the goal would be reached.

74. The Executive Director was very pleased that a number of donors had indicated significant increases in their general contributions for the year 2000 and that several donors had made multi-year pledges, including Belgium, the Czech Republic, the Democratic People's Republic of Korea, Denmark, the Netherlands, Sweden, Switzerland, the United Kingdom and the United States of America. Document DP/FPA/2000/CRP.4 provided details on those and other results from the pledging process. Several countries, namely, Belgium, France, Ghana, Ireland, Italy, Luxembourg, Sweden and Switzerland would increase their contributions. Some

increases were substantial. For example, Belgium was increasing its contribution by 65 per cent, France by 14 per cent, Ghana by 25 per cent, Ireland by 50 per cent, and Luxembourg by over 12 per cent. The United States had pledged for 2000 and 2001 and had already made a payment in the amount of $21.5 million for 2000. The Netherlands and Denmark would maintain their high levels of funding to UNFPA. Italy had also indicated that it would retain the level of its contribution based on the large increase of 120 per cent it had made in 1999. Discussions were also under way with some donors about other sources of income for programme activities.

75. The Executive Director stated that UNFPA was experiencing strong growth in supplementary resources. She added that on the following day she would be officially announcing a major grant from a well-known foundation for UNFPA-supported programmes in Africa. It was estimated that because of the grant, combined with other multi-bilateral funding from the United Nations Fund for International Partnerships (UNFIP), bilateral donors and other foundations, UNFPA supplementary resources would increase to about $40 million for 2000. In addition, UNFPA was making every effort to broaden its donor base. For 2000, the goal was to reach 100 donors, and the Fund was calling on programme countries to provide a financial contribution to UNFPA to the highest level their circumstances would permit. The Executive Director was pleased to report that several countries, for example, Egypt, Lebanon and the Syrian Arab Republic, had entered into agreements to provide significant co-financing/trust-fund contributions to their country programmes, which would be in addition to their pledges to general resources. In the case of Egypt, $1.8 million had already been provided for that purpose.

76. As a result of its vigorous fund-raising, UNFPA, for the first time, had been designated a beneficiary of a significant bequest of $35 million. Under the terms of the bequest, a trust had been established whereby UNFPA would receive interest annually from the principal. For 2000, UNFPA was conservatively estimating that that would add approximately $2 million to its general resources.

77. The Executive Director expressed her great appreciation to the donors and conveyed special thanks to the Fund's number one donor — Japan. UNFPA was proud to have Japan as its number one donor, which, despite economic uncertainties, had continued its commitment to population activities and to UNFPA. UNFPA was most grateful for the support. She noted that the Netherlands, the Fund's second top donor, deserved special mention as well. She recalled the positive and warm environment of the Hague International Forum, held in February 1999, which the Netherlands had so generously helped to coordinate and financially supported. The Netherlands had been a driving force and had demonstrated its global leadership in the area of population, reproductive health and gender, including with its Parliament legislating 4 per cent of its Official Development Assistance (ODA) for population assistance. She expressed deep appreciation to the Fund's third donor, Denmark. Denmark had not only provided considerable financial support but had done so with an important ongoing policy dialogue.

78. While referring to meaningful relationships, the Executive Director made special mention of Norway. Norway had been one of the Fund's longest supporters, annually making a high-level contribution to allow UNFPA to carry out its crucial mission. UNFPA had also greatly benefited from Norway's substantive guidance, including the valuable co-financing support from and programme coordination with

Norwegian Agency for Development Cooperation (NORAD). She thanked Germany and trusted that it would do everything possible to increase its contribution next year. She conveyed her special thanks to the United States, which had returned as a donor and had paid its pledge in full for 2000 and had also pledged for 2001. She encouraged other donors to endeavour to make the payments of their pledges as soon as possible.

79. She expressed her deep appreciation to the United Kingdom, which gave UNFPA its first multi-year pledge under the new pledging system. The United Kingdom had indicated that it would increase its contribution in 2002. UNFPA especially valued the substantive dialogue with the United Kingdom on a range of issues. The Executive Director made a special note of appreciation to Sweden, which had announced a significant increase as well as a multi-year pledge, and had been so helpful to UNFPA on the MYFF process and in many other ways. She was most grateful to Finland for its support. Finland had not only consistently provided UNFPA with a high level of contribution and involvement in the Fund's programme, but had also taken the lead with providing soft earmarked funding which had been so valuable. She was very grateful to Switzerland, a very solid partner, providing significant support to UNFPA. She thanked Canada and expressed appreciation for its support, including with the launching of the MYFF. She hoped that as Canada recovered from domestic economic constraints its funding for population and reproductive health would be restored next year to past levels.

80. She extended deep appreciation to Belgium, Ireland and Luxembourg for providing a large increase in 2000. It was a big boost for UNFPA. She applauded Luxembourg for reaching in 2000 the agreed target of 0.7 per cent of gross national product for ODA. She paid tribute to Italy for providing a very large increase in 1999 and for increasing its contribution in 2000. UNFPA looked forward to continuing to develop its close relationship with Italy over the next few years. She thanked France for being an active donor and for developing an important portfolio of multi-bilateral support. She valued the close working relationship and was confident that France would steadily increase its support. She was very grateful for the steady support from Australia, in particular the multi-bilateral assistance provided for countries in South East Asia and the Pacific, and to New Zealand for its multi-year pledge and growing level of support. She extended her deep appreciation to all the other donor countries that had already pledged to UNFPA: Austria, Bangladesh, Benin, Bhutan, Botswana, Czech Republic, Democratic People's Republic of Korea, Ethiopia, Fiji, Ghana, Iceland, India, Lao People's Democratic Republic, Malaysia, Maldives, Mongolia, Myanmar, Nepal, People's Republic of China, Philippines, Poland, Portugal, Romania, the Russian Federation, Spain, Thailand, Turkey, Uganda and Viet Nam.

81. She concluded by thanking all the countries for fulfilling their commitment, and their part of the MYFF process. She informed the Executive Board about a recent innovation: contributions to UNFPA could be made by visiting the Fund's web site where the United States Committee for UNFPA had established a link to its Shopping Mall — a portion of the profits from any purchase from any of the 200 stores would go to UNFPA. The Executive Director noted that UNFPA was indeed doing everything it could to raise resources.

Introduction by the Chief, Resource Development Branch

82. In his introductory remarks, the Chief, Resource Development Branch (RDB), noted that the report on voluntary contributions to UNFPA general resources for 2000-2003 (DP/FPA/2000/CRP.4) represented the combination of pledges received in writing by close of business on 27 March 2000, including the pledges received at the United Nations Pledging Conference for Development Activities for 2000 which was held in November 1999, and the Fund's best estimate of pledges from donors who were not yet in a position to pledge. The United Nations exchange rate of 31 March 2000 was used for estimating US dollar equivalents for pledges made in currencies other than the US dollar. Additional pledges received since 27 March were not reflected in the report. The report had three parts: section I presented the volume of core resources, trends and targets; section II focused on predictability; and section III discussed reducing overdependence on a limited number of donors.

83. With regard to the level of resources, he noted that table 1 (DP/FPA/2000/CRP.4) provided information on the Fund's income position. Key data included: 45 written pledges for the year 2000. The UNFPA goal was 100 donors for 2000; 13 multi-year pledges; and a total general resources target for 2000 of $275 million consisting of approximately $242 million based on pledges and estimates, $2.0 million in interest from the Mars Trust, $3.0 million from interest and a balance of $28 million to meet the 2000 general resource target. Table 2 presented the schedule of payments. He confirmed that the United States had already paid in full and some other major donors had made their first quarter payments. The Chief noted that table 3 showed the projected resource requirements for implementing scenario 1 and scenario 2 as indicated in the report on the MYFF (DP/FPA/2000/6). Based on past performance, as shown in table 4 (DP/FPA/2000/CRP.4), and in combination with the Fund's programme goals as reflected in the MYFF, UNFPA was in a sound position to grow over the long term.

84. Figure 2 (DP/FPA/2000/CRP.4) illustrated that donor contributions as a percentage of total general resources were broadening as evidenced by the increases received from Belgium, France, Ireland, Italy, Luxembourg, Sweden, Switzerland and other countries. Annex 2 presented the supplementary resource trend. UNFPA was experiencing strong growth in supplementary resources, and it was expected that the trend would continue. The gains were likely to partially offset the slower growth in general resources that might be experienced in 2000. Annex 3 presented total income since 1999 and indicated the Fund's total resource target for 2000 of $315 million.

Statements by delegations

85. Following the introductory statements by the President, the Executive Director and the Chief, RDB, 24 delegations took the floor to announce their voluntary contributions and/or multi-year pledges to UNFPA, as well as to make general comments on resource trends, the MYFF and the work of UNFPA. The delegations welcomed the first funding meeting for UNFPA and expressed full support for the work of the Fund and its commitment to the MYFF process. The summary below lists the delegations in the order in which they spoke.

86. The delegation of *Ghana* noted that harmonization of the funding meetings of UNDP and UNFPA would enhance the work of the Executive Board. The delegation called on member countries to reverse the trend of the decline in the Fund's

resources. The delegation stated that unless UNFPA could be assured of predictable and increased core resources for its work, neither the goals of the MYFF nor the objectives agreed to by the international community at the ICPD, which constituted the mandate of UNFPA, would be achieved. Despite its difficult economic circumstances, Ghana had increased its voluntary contribution to UNFPA by 25 per cent over last year's figure and would pay the full amount in the third quarter of the year. The delegation added that Ghana hoped to maintain that level until 2003.

87. The delegation of the *Netherlands* stated that the funding session would provide more transparency regarding donor contributions as well as greater predictability for the Fund's income position. Both those aspects were important in relation to the MYFF process. The delegation noted that the two topics, multi-year pledges and the MYFF should not be treated as separate issues and underscored that the success of the MYFF had a strong correlation to the contributions pledged by donors. The delegation was gratified that 13 countries had announced multi-year pledges and that several countries had increased their contributions. The delegation noted that there was room for even greater increases and hoped that under-performing donor countries would be inspired to increase their contributions. The delegation of the Netherlands stressed that it had been, and would continue to be, a strong supporter of UNFPA. The delegation announced that its contribution in 2000 would be 78.5 million Dutch gilders (approximately $33 million) and the contributions for the years 2001-2004 would be at least at the same level.

88. The delegation of *Ireland* was encouraged that UNFPA core resources would increase in 2000 compared to the 1999 level, and commended UNFPA for its efforts. The delegation noted that Ireland had increased its contribution to UNFPA in 2000 by 50 per cent, demonstrating its commitment to development, to multilateralism and, specifically, to UNFPA. The delegation underscored that the predictability of resources was essential for sound management and for producing good results. The delegation expressed appreciation for the Fund's efforts in developing the MYFF. The delegation noted that Ireland was not in a position to make a multi-year pledge. Ireland's contribution to UNFPA for 2000 was 600,000 Irish pounds (approximately $738,007) and payment would be made by the end of April.

89. The delegation of the *United States of America* expressed its ongoing commitment to UNFPA and recognized the Fund's key role in the implementation of the ICPD Programme of Action and the ICPD+5 recommendations, in particular, with regard to bringing high quality, voluntary family planning and reproductive health services to women and men around the world. The United States was pleased to announce its 2000 contribution in the amount of $21.5 million, which had already been paid in full, and to pledge $25 million for 2001. The delegation underscored its support for UNFPA and noted that factors affecting the decision to resume funding to UNFPA were the Fund's strong advocacy role in the field of reproductive health and the critical difference that the Fund's programmes had made to the well-being of people around the world. Over the past year, some American legislators supporting a resumption of funding for UNFPA reported being approached by their constituents on particular issues where UNFPA had made a critical difference. The delegation stated that such success stories from the field made the job of building support for UNFPA much easier.

90. The delegation of *Sweden* was encouraged that the downward trend in UNFPA resources might be reversed in 2000. Expressing its concern regarding the limited

number of donors, the delegation underscored the need to broaden the Fund's donor base. To demonstrate its commitment to the work of UNFPA and the MYFF process, Sweden announced a contribution in 2000 of 145 million Swedish kroner (approximately $16.6 million), a 5 per cent increase over its 1999 contribution. The delegation noted that two equal payments would be made to UNFPA in January and September 2000. Sweden would contribute the same amount in 2001 and 2002.

91. The delegation of *Bulgaria* underscored the key role of UNFPA in the implementation of the ICPD Programme of Action and the ICPD+5 key actions. The delegation stated that UNFPA had undergone an intense reform process but resources had not kept pace with its planned activities. The delegation stressed the need to reverse the downward trend in the Fund's resources. The delegation stated that it had made a firm commitment to UNFPA for 2000, and it expected that the amounts for 2001 and 2002 would increase.

92. The delegation of the *Republic of Korea* hoped that the MYFF would help UNFPA secure the resources it needed to carry out its work in the area of improving the quality of life and the reproductive health of people in programme countries. The Republic of Korea would contribute $260,000 to UNFPA core resources for the year 2000. Payment would be made in the second half of the year. The delegation noted that while it was unable to announce pledges for 2001 and 2002, the Republic of Korea hoped to increase its contribution in future years.

93. The delegation of *New Zealand* announced that it had made a multi-year pledge for the entire MYFF period, 2000-2003. For 2000, the amount of 1.3 million New Zealand dollars (approximately $631,068) had been paid in February. Its pledge for the years 2001-2003 would remain at the same level of 1.3 million New Zealand dollars. The delegation observed that while New Zealand had maintained its pledge for 2000, in the same amount as in 1999, in US dollar terms the amount had decreased due to currency fluctuations and the strong US dollar. The delegation asked whether, as was the case with UNDP, UNFPA would adopt a strategy to allow for currency in non-US dollars in order to protect from surges in the US dollar.

94. The delegation of *France* was pleased to announce a contribution to UNFPA in the amount of 8 million French francs (approximately $1.2 million), a 14 per cent increase in terms of national currency. Payment would be made at the end of the summer. The delegation noted that the increase followed other increases made since 1996 and, subject to the availability of funds, France would continue to increase its voluntary contributions to UNFPA. However, it was not in a position to make multi-year commitments. The delegation underscored its support for the MYFF process and for the work of UNFPA.

95. The delegation of *Austria* commended the Executive Director for the innovative efforts undertaken to mobilize resources for UNFPA. For 2000, Austria pledged 5 million Austrian shillings (approximately $351,700), which was a 22 per cent decline over its 1999 contribution of 6.1 Austrian shillings. The decline was due to the Austrian Government's need to limit the federal budget. The delegation was unable to announce multi-year pledges due to Austria's budgetary laws. The delegation, however, emphasized that Austria would work towards reversing the downward trend and, if additional funds became available at the end of the year, it would contribute further to UNFPA.

96. The delegation of *Denmark* stated that the funding meeting was an important step in the MYFF process. It was convinced that the MYFF process would enable UNFPA to become a more effective organization, strengthening both management and programming. For 2000, Denmark announced a contribution of 200 million Danish kroner (approximately $26 million), the same level as in 1999. The delegation noted that at present it was not be in a position to announce a multi-year pledge, however, it might be able to do so next year.

97. The delegation of *Canada* noted that it would not be able to announce its pledge at the present time. However, Canada planned to sustain its contribution as in previous years and, as soon as the internal allocation was approved, the contribution would be paid promptly and in full.

98. The delegation of *Italy* was pleased to announce a 9 per cent increase in its contribution for 2000. Italy pledged 6 billion liras (approximately $2.9 million) and noted that the payment would be made in full by July. While Italy was not in a position to announce multi-year pledges, it would, at a minimum, maintain the level of its contribution to UNFPA. The delegation stated that its country was deeply committed to increasing its contributions to UNFPA in support of the implementation of the ICPD Programme of Action. It expected the MYFF to lead to an overall increase in resources for UNFPA, which in turn would have a positive impact on programme countries.

99. The delegation of *Norway* stated that for decades it had demonstrated its support for population issues and the role UNFPA. Multi-year pledges were not feasible for Norway; however, in 2000 it would maintain the same level of funding to UNFPA as in 1999, in the amount of 195.9 million Norwegian kroner (approximately $23.5 million), and it hoped to maintain a strong level in 2001 and 2002. The delegation was concerned about the Fund's dependence on a small number of donors and hoped that the introduction of the MYFF would enable UNFPA to broaden its funding base.

100. The delegation of *Pakistan* underscored its strong support for the work of UNFPA and the leadership of the Executive Director. Pakistan pledged $500,000 for 2000.

101. The delegation of the *United Kingdom* confirmed its commitment to UNFPA and noted that the MYFF, as it evolved, would provide the bedrock for effective performance and on-the-ground impact. The United Kingdom pledged as follows: 15 million pounds sterling (approximately $24 million) in the year 2000; 15 million pounds sterling (approximately $24 million) in 2001; and the increased amount of 18 million pounds sterling (approximately $29 million) in the year 2002. Thus, the United Kingdom's contribution to core resources over the period 2000-2002 would amount to 48 million pounds sterling (approximately $77 million).

102. The delegation of the *People's Republic of China* pledged $820,000 for the year 2000 and stated that it would pay its contribution in full in the first half of the year.

103. The delegation of *Nigeria* noted that it would communicate its pledge to UNFPA at a later time. The delegation stated that while it was not in a position to make a multi-year pledge it strongly supported the work of UNFPA.

104. The delegation of *Switzerland* was pleased to learn that the Fund's core resources were expected to rise in the year 2000. Switzerland hoped to increase its contribution in 2000 by 5 per cent, from 10 million Swiss francs to 11 million Swiss francs (approximately $6.9 million). The amount was subject to formal approval, and the payment would be made hopefully in May following the approval. Switzerland pledged to increase its contribution to UNFPA by 4 per cent in 2001 and by another 4 per cent in 2002. The delegation hoped that other countries would also make multi-year pledges and at least announce indicative amounts.

105. The delegation of *Myanmar* expressed appreciation for the work of UNFPA and noted that it attached importance to all activities which promoted economic growth in developing countries. Myanmar pledged 60,000 kyats to UNFPA for 2000.

106. The delegation of *Belgium* announced that it would contribute 2.9 million euros to UNFPA in the year 2000 and pledged the same amount for the coming three years. The delegation noted that the amount pledged represented an increase of about 65 per cent over its 1999 contribution. The delegation added that if all donors followed that example and made similar percentage increases, UNFPA could effectively implement the most optimistic MYFF scenario.

107. The delegation of *Luxembourg* stated that last year its country had attained the ODA target of 0.7 per cent of gross national product. Luxembourg's contribution to UNFPA in 2000 was an increase of 13 per cent over its 1999 contribution. Multi-year pledges to UNFPA from 2000 to 2003 would be in the amount of 18 million Luxembourg francs per year. The delegation noted that its contribution for 2000 had already been paid to UNFPA in February.

108. The delegation of *South Africa* thanked and commended all the countries that had increased their contributions to UNFPA. The delegation hoped to make a contribution in the near future and was also exploring ways to increase local funding to the country programme. The delegation supported the efforts to increase the Fund's donor base and commended UNFPA for seeking funding from a variety of sources.

109. The delegation of *Spain* noted that national elections had recently taken place in its country and the new Government was in the process of being formed, hence a contribution could not be announced at the present time. However, Spain hoped in 2000 to at least match its 1999 contribution of 92.5 million pesetas. The delegation expected that half the amount would be paid in May and the remainder by year-end.

Response by the Executive Director

110. The Executive Director thanked the delegations for their funding commitments, multi-year pledges and positive comments. She noted that it was a historic day for the Fund as it marked the first funding meeting held for UNFPA in the context of the MYFF process. Though only 24 countries had taken the floor, she was pleased that all of the Fund's major donors and several programme countries had made interventions. She underscored that UNFPA relied very much on the leadership and guidance provided by the Executive Board. She assured the Board that UNFPA would do everything possible to implement its part of the compact. She noted that UNFPA was vigorously trying to broaden its donor base so as not to be dependent on a limited number of donors. She added that UNFPA was experiencing a strong growth in its supplementary resources.

111. Echoing what the delegation of Belgium had said, she agreed that if all donors increased their contributions by 65 per cent UNFPA would not only be able to meet the most optimistic MYFF scenario but also all the ICPD targets. She expressed her deep appreciation to all the countries that had made multi-year pledges, and she urged delegations to make a strong case in their capitals for increasing resources to UNFPA. She concluded by thanking the small but dynamic UNFPA team for its work in preparing the funding meeting and the documentation.

112. The Executive Board took note of the report on voluntary contributions to UNFPA general resources for 2000-2003 (DP/FPA/2000/CRP.4).

UNDP/UNFPA joint segment

V. Reports to the Economic and Social Council

A. UNDP

UNDP report

113. The Administrator introduced his annual report to the Economic and Social Council (DP/2000/11), noting that it was again presented in the common format and approach adopted by UNDP, the United Nations Children's Fund (UNICEF) and UNFPA. Work was under way to prepare a consolidated list of issues, as called for by the Economic and Social Council, in consultation with the Consultative Committee for Programme and Operational Questions (CCPOQ). The report was also an important part of the preparation by UNDP for the triennial comprehensive policy review of operational activities by the General Assembly in 2001.

114. The report covered the Secretary-General's reform and the implementation of the triennial policy review, the integrated and coordinated follow-up to United Nations conferences and summits, and special economic, humanitarian and disaster-relief assistance. Each section included major issues, highlights of achievements in 1999, problems encountered and lessons learned and recommendations for action by the Economic and Social Council. Within those major themes, sections were included on structures and mechanisms of the United Nations Development Group (UNDG), funding and resources, the resident coordinator system, the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF), harmonization of programming periods and procedures, gender-mainstreaming and gender balance, capacity-building, common premises and services, cooperation with the World Bank, monitoring and evaluation, and the follow-up to United Nations conferences. The final section on special economic, humanitarian and disaster-relief assistance set out some of the challenges faced by UNDP with its UNDG partners in addressing new crises in a timely manner.

Comments by delegations

115. Many delegations congratulated UNDP on the report, citing its analytical quality and the improvements introduced on the basis of comments made by the Executive Board in previous years. The enhanced reporting gave the Board better insight in areas where there was marked progress and where there were unsolved challenges. One delegation stated that the reports could be even more useful if more

concrete proposals to the Economic and Social Council on how to solve difficulties were developed. The joint format was welcomed, with one delegation stating that the World Food Programme should also follow it in the future. One delegation stated that UNDP should provide more information on the particular role and contribution of the organization with regard to capacity-building or on the concrete contributions made in the follow-up to international conferences, allowing Board members to focus on more agency-specific comments for consideration by the Council. Speakers looked forward to receiving the consolidated list of issues to be discussed by the Council at its substantive session in 2000.

116. One delegation noted the lack of a reference to the Administrator's Business Plans for 2000-2003 endorsed by the Executive Board at the first regular session 2000 and his commitment to make UNDP more effective at the country level.

117. One delegation recalled previous requests for joint reporting by the funds and programmes, viewing the report as a step in a positive direction. Joining the reports of UNDP and UNFPA into one report would demonstrate increased collaboration among the UNDG members.

118. Many speakers expressed appreciation for efforts to implement the Secretary-General's reform programme through UNDG and its subsidiary bodies as well as through collaborative programming instruments. Several delegations welcomed the increased participation of United Nations specialized agencies, funds and programmes in the UNDG and in the resident coordinator system, and encouraged greater involvement on their part. Rationalization of the work of the UNDG subsidiary machinery was also welcomed. While enhanced collaboration and exchanges between UNDG and the Administrative Committee on Coordination machinery was welcomed, one delegation urged that the cooperation should not delay the further implementation of the United Nations reform programme through UNDG. Enhanced collaboration between the United Nations system and the United Nations Staff College Project in Turin was also welcomed.

119. Several delegations underlined the need to examine ways to improve the resident coordinator selection process, including with regard to enhancing the gender balance among resident coordinators. One speaker emphasized the need for resident coordinators to understand the United Nations system, thus calling into question the recommendation regarding recruitment from outside of the system.

120. Progress on the CCA and UNDAF was recognized by several delegations. One speaker noted that the UNDAF had been highlighted in the report of the Secretary-General entitled "We the peoples: the role of the United Nations in the twenty-first century" (A/54/2000). The same speaker requested further information on the interest shown by bilateral agencies and non-governmental organizations in the CCA. With regard to UNDAF, Governments of programme countries were encouraged to play a leading role in the process of defining, based on the outcomes of United Nations global conferences, an umbrella arrangement for all activities of the participating United Nations organizations in a particular country. One delegation expressed its willingness to participate in such consultation exercises when invited. Another delegation underlined that the CCA must be fully elaborated in cooperation with the Governments concerned. Another speaker noted the concern about the lack of focus on outputs noted at the first regular session 2000 and about the depth of cooperation on the UNDAF, points that were not included in the report.

121. On the topic of harmonization of programming periods and procedures, speakers underlined the role that could be played by the Executive Board in harmonizing the financial rules and regulations of the funds and programmes that would be of direct benefit to programme countries. One delegation supported the need to pay special attention to the sustainability of the harmonization measures to be taken. Several delegations requested further recommendations on joint programming. In that regard, the guidance note on joint programming issued in 1999 was requested for distribution to the Board. One speaker, expressed particular support for the recommendation contained in paragraph 31, in which it was recommended that the Council may wish to encourage members of the UNDG to address the areas for further simplification and harmonization of procedures, identified in consultation with resident coordinators and country teams, especially with regard to national execution. Another speaker encouraged countries that hosted United Nations organizations to make specific arrangements to establish United Nations houses.

122. It was underlined that the simplification of country programming processes should take into account the role of CCAs and UNDAFs in setting the strategic framework for country programmes. In that regard, one delegation suggested that the funds and programmes could initiate a discussion on the idea of submitting UNDAFs to their respective executive boards as a frame of reference for individual country programmes and subsequent collaborative programming. Some speakers emphasized that the CCA and UNDAF should not minimize the roles played by individual United Nations organizations at the country level. One delegation underlined that there was a risk that the CCAs and UNDAFs would focus exclusively on social sectors and social development, leaving out the broader macroeconomic and sectoral considerations, as noted in paragraph 25 (b).

123. Delegations welcomed the growing cooperation with the Bretton Woods institutions and encouraged them to use the CCA to formulate the comprehensive development framework (CDF) and the poverty-reduction strategy papers (PRSPs). One delegation stated that the United Nations system had a distinct comparative advantage in poverty eradication and emphasized the need to avoid overlap between the work of the Bretton Woods institutions and the United Nations system. Another speaker urged complementarity between the UNDAF and the CDF and the consolidated appeals process. The need for further clarification on the respective roles and division of labour in aid coordination and resource mobilization among the Bretton Woods institutions and the United Nations system was emphasized. One speaker highlighted the difference between the grant nature of United Nations funding and the loan nature of that of the Bretton Woods institutions. That speaker also expressed disagreement with recommendation contained in paragraph 57 (a), in which it was recommended that the Council may wish to encourage the ongoing dialogue of UNDG members with the Bretton Woods institutions regarding the CCA, the UNDAF, the comprehensive development frameworks, the poverty-reduction strategy papers and the Poverty Reduction and Growth Facility, stating that linkages between programming instruments must be developed only by the Governments of programme countries. New mandates for UNDG in this regard were not supported by that delegation.

124. One delegation called into question the accuracy of recommendation 70 (a) regarding the 20/20 initiative.

125. One delegation urged an examination of the trends in overall Official Development Assistance as compared with the funding of the United Nations specialized agencies, funds and programmes. While some delegations supported the discontinuation of the United Nations pledging conference, others underlined the need to consult with all relevant parties, within the Economic and Social Council and the General Assembly, before making a decision. Concern was underlined about the serious decline in core contributions to UNDP, a factor that caused the reduction in funding programmes in recipient countries.

126. One speaker urged enhanced cooperation in the area of special economic, humanitarian and disaster-relief assistance situations, with increased consultation among United Nations entities, particularly with regard to cooperation at the country level.

Response by the Administrator

127. The Administrator noted that the comments made by the Executive Board on the report to the Economic and Social Council were substantive and very useful.

128. He underlined that much effort was being put into enhancing the gender balance among resident coordinators, with the major impediment being the shortage of women among the candidates. With regard to joint programming and harmonization, he shared the view that progress must be made in this area to the greatest extent possible. He noted that the CCAs allowed the rationalization of programmes.

129. With regard to the relationship of the United Nations system with the Bretton Woods institutions, he agreed that the nature of the respective mandates must be taken into consideration although there were opportunities for complementarity. The Administrator noted that there had been progress at the institutional level in the relationship with the Bretton Woods institutions, including through talks with the President of the World Bank and the Acting Managing Director of the International Monetary Fund.

130. He noted that additional comments and questions would be addressed in the context of other agenda items and on a bilateral basis.

131. The Executive Board agreed to transmit to the Economic and Social Council, for its attention, Executive Board decision 99/20 on the United Nations Revolving Fund for Natural Resources Exploration in which the Board endorsed the plans to phase out the activities of the Fund by the end of 2000.

B. UNFPA

UNFPA report

132. In introducing the report (DP/FPA/2000/7), the Executive Director noted that it had been prepared in the joint format agreed to by UNDP, UNICEF and UNFPA. It provided a brief overview of some of the key issues in the implementation of the reform programme of the Secretary-General and the provisions of the triennial comprehensive policy review; in follow-up to international conferences; and in humanitarian and disaster-relief assistance. She stated that in the report the Fund had

attempted to provide a frank analysis of lessons learned and issues and problems requiring further attention.

Comments by delegations

133. Numerous delegations welcomed the report and congratulated UNFPA on the report's improved analytical quality. A number of delegations expressed appreciation for the progress achieved in the harmonization of programme cycles and simplification of procedures and commended UNFPA for working closely with the United Nations Development Group (UNDG) in those and other areas. Several delegations stressed the need to involve Governments in the harmonization process. Several delegations welcomed the participation of the World Health Organization (WHO) and the United Nations Industrial Development Organization (UNIDO) in UNDG and stated that other United Nations organizations, should also be encouraged to participate.

134. One delegation, speaking also on behalf of another delegation, noted that the report was excellent; however, there was a slight disconnect between the "meat" of the report and the recommendations to the Economic and Social Council. The delegation offered the following suggestions and observations: How should the Council go about increasing the involvement of agencies in UNDG? On the resident coordinator assessment, should the Council be provided a score-sheet on the quality of resident coordinators and the locations/agencies where problems had been encountered? Are there examples of non-United Nations agencies using the Common Country Assessment (CCA) as a basis for programming? Since joint programming remains a difficult matter, recommendations should be made pushing this area forward. When would UNFPA and UNDP present proposals for common financial rules and regulations and joint programming and sector-wide approaches (SWAps)? UNFPA had emphasized the importance of the sectoral approach and the need for joint analytical work and common analysis. The World Bank should take measures to enable it to participate in the SWAp process.

135. Another delegation, while welcoming the joint format of the UNFPA, UNDP and UNICEF reports, regretted that the format had not been followed by WFP. The same delegation added that in addition to following a joint format, the reports should concentrate on highlighting the particular role and contribution of each fund/programme and the challenges faced. The delegation added that such aspects had been incorporated into the UNFPA report to a greater extent than in the reports of the other funds and programmes. Another delegation, while noting that the reports were a step in the right direction with regard to joint reporting, observed that the two reports could easily be joined into one report carrying the same message. The same delegation considered that to be a sign of increased collaboration among the partner agencies of UNDG, including through the United Nations Development Assistance Framework (UNDAF), which was bringing organizations closer together and expanding the area of common ground. Regarding the recommendations to the Economic and Social Council, the delegation noted that it would be more useful to provide concrete proposals to the Council on how to solve some of the difficulties discussed, as for example in the area of joint programming. The delegation invited both UNFPA and UNDP to comment on how the development of joint proposals could promote fruitful discussions in the Council on such issues. One delegation asked how difficulties in the area of data collection could be overcome. The same

delegation asked whether coordinated reviews would replace the review by individual countries.

136. One delegation suggested that the major funds and programmes initiate a discussion on the pros and cons of sending UNDAFs to their respective executive boards as the frame of reference for individual country programmes and subsequent collaborative programming. The delegation supported the recommendation that the Council urge that there be as much complementarity as possible between the UNDAF and other coordination instruments such as the World Bank's Comprehensive Development Framework (CDF) and the consolidated appeals process. He added that the CCA should be prepared in such a manner that it provide a broad situation analysis for such instruments. With regard to collaboration between the United Nations system and the Bretton Woods institutions, the delegation wondered about the extent to which words were being translated into action. He saw the need for further clarification regarding the respective roles and division of labour in the area of aid coordination and resource mobilization, both in normal and special development situations. The delegation asked for additional information on the results of the Fund's collaboration with the United Nations Environment Programme (UNEP) on the issue of integrating population and environment issues in planning and decision-making.

137. Another delegation underscored the need to harmonize programme cycles with national plans and emphasized the need to develop common data systems and indicators. Two other delegations noted that special attention had to be paid to the sustainability of harmonization measures and encouraged countries that host United Nations organizations to make specific arrangements to establish United Nations houses.

138. One delegation, while noting that it was pleased at the progress achieved by UNDAF and UNDG, noted that many issues remained to be tackled and cooperation would need to increase. Underscoring the importance of the issue of improved cooperation, the delegation requested an assessment of how the cooperation was working on the ground. Another delegation, while noting that it was satisfied with the emphasis on the involvement of the entire United Nations system in UNDG activities, stated that further streamlining was needed. One delegation regretted the slow progress in achieving complementarity between UNDAF and CDF and noted that this would impact the use of limited resources at country level. The delegation commended UNFPA support for reproductive health in emergency and crisis situations.

139. With regard to the review of the gender focal point-function in the United Nations system, one delegation requested a clarification on the UNFPA role as Task Manager in the Inter-Agency Committee on Women and Gender Equality (IACWGE). Concerning common premises, the same delegation fully agreed with involving appropriate external technical experts at the country level, including real-estate professionals, architects and engineers, together with designated project management.

140. One delegation stated that the Economic and Social Council was an appropriate body to address the issue of ending the United Nations pledging conferences. Another delegation noted that having a pledging conference had not raised money and suggested more "directive" language recommending discontinuing the pledging conferences. One delegation advised caution with regard to the matter

of eliminating the United Nations pledging conferences and stated that the subject should be debated by the Council and the General Assembly and not the Executive Board. Another delegation pointed out that the future of pledging conferences was beyond the mandate of the Executive Board.

141. One delegation requested further elaboration on the appraisal system for resident coordinators. The delegation also requested timelines for the implementation of the multi-year funding framework (MYFF). With regard to gender balance within UNFPA, the delegation was pleased to note that UNFPA had emphasized recruitment of women for professional positions and, as a result, 50 per cent of all professional posts in the Fund were occupied by women. The delegation urged UNFPA to build on that success. The delegation also underscored the achievements of the ICPD+5 review and stressed the need to implement the key actions, as well as to monitor the implementation. Another delegation underscored the noteworthy gender balance achieved by the Fund and stated that it was a concrete response to the International Conference on Population and Development, the Fourth World Conference on Women and other global conferences. The delegation also stressed the importance of geographical balance.

142. Regarding the responsibilities of Member States to link the approval of country programmes by the Executive Board to financial contributions to those country programmes, one delegation, speaking also on behalf of another delegation, stated that it favoured such a link. Another delegation, referring to paragraph 15 (e) of the report concerning the call to donor countries to take the necessary steps to reverse the current decline in overall Official Development Assistance (ODA), stated that it had reservations about importing the General Assembly debate into the Executive Board and vice versa. While noting that the Executive Board should work on reversing the trend in declining resources for UNFPA and UNDP, the delegation observed that the overall trend in ODA was a matter for the General Assembly and the Economic and Social Council.

143. Referring to paragraph 19, one delegation stated that UNFPA should be explicit regarding the shortcomings of the current process for identifying candidates for the pool of resident coordinators. Noting that the selection process was important, he observed that before recommending changes the cost/benefit should be analysed. With regard to the issue of increasing the number of women candidates, the delegation stated there should be career development for women compatible with their other obligations. The delegation expressed concern regarding external recruitment and underscored that to be a good resident coordinator, in-depth knowledge of the United Nations system was essential.

144. One delegation asked which countries were involved in the initiatives mentioned in paragraph 52. Referring to paragraph 54, the same delegation underscored the need to consult with Governments regarding the development of indicators.

145. Specific revisions to the text in certain paragraphs were suggested by two delegations as follows: in paragraph 21 (b) after the word "gender" add "and geographical"; in line eight of paragraph 22, after the word "partners" add "and governments"; in paragraph 31, replace the word "ability" with "right and the creation of services"; in line four of paragraph 33, after the word "information" add "; adolescent mothers should also be allowed to continue their studies"; and in

paragraph 44 (b) the text should read "Encourage Governments to involve civil society in capacity-building;".

146. One delegation stated that it did not support the recommendations in paragraphs 27 (d) and 53-55 of the report.

Response by the Executive Director

147. The Executive Director thanked the delegations for their positive comments and useful suggestions. She was pleased that the Executive Board had recognized the effort invested in preparing the report. Concerning the resident coordinator system, she noted that it was open to everybody; however, the selection process was costly. Also, two female UNFPA staff had successfully completed the competency exercise but had not been placed in resident coordinator positions. She noted that a lack of gender balance in the system remained an issue. She stated that UNFPA had several excellent female staff, including some at the P-4 level, which could be prepared for resident coordinator positions for the future. With regard to the resident coordinator assessment process, she stated that staff matters were a sensitive issue and could not be discussed very frankly. On the subject of joint programming, she noted that there were some good examples of it; however, some agencies did not allow the allocation of funds to others. Nevertheless, UNFPA had undertaken joint programmes in the areas of HIV/AIDS and education. Concerning joint reporting to the Economic and Social Council, she stated that it could be done easily as long as there was an open process and the concerns and issues of each agency were taken up.

148. She stated that with regard to a joint set of financial rules and regulations for UNFPA and UNDP, the two organizations would look at the issue and she had already written to the Administrator on that matter. With reference to the United Nations pledging conferences, she observed that very few pledges were made for UNFPA at those conferences. Regarding the comment on ODA, she noted that there was a connection between ODA in general and the trends in the funds and programmes. Regarding the Fund's role as Task Manager in IACWGE, she observed that a survey of gender focal points had been undertaken. One key finding had been the discrepancy between the job descriptions for gender focal points and the actual work they performed. One follow-up action had been to examine the budget process and UNFPA was one of the organizations selected for a study being carried out by the United Nations Division for the Advancement of Women.

149. The Executive Director noted that at the country level most United Nations system agencies participated in the CCA and UNDAF; however, at the global level more effort was needed to have those agencies participate in UNDG. In particular, the Food and Agriculture Organization of the United Nations (FAO), the International Labour Organization (ILO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) should join UNDG as they had a lot to offer, and UNFPA and other organizations already worked extensively with them. With regard to collaboration with the World Bank, she noted that that was ongoing. For example, UNFPA was also working with the World Bank on the Paris 21 initiative. She stated that additional resources should be mobilized to strengthen database systems in programme countries. She added that a collaborative effort by the United Nations system, the World Bank, bilateral agencies and the European Union was needed towards that end.

150. Regarding simplification of procedures, she stated that the Fund always endeavoured not to increase the burden on UNFPA country offices and national counterparts. She observed that as good CCAs and UNDAFs became available, the Fund would be able to drop some of its own programming procedures and thereby also reduce the burden on countries. The Executive Director concluded by noting that she was just about to attend a press conference to announce a generous grant of $57 million from the Bill & Melinda Gates Foundation to support adolescent reproductive health, including HIV/AIDS prevention, in four countries in Africa. She added that such support indicated that the Fund's scenario 2 in the MYFF was not overly optimistic.

Response by the Deputy Executive Director (Programme)

151. The Deputy Executive Director (Programme) thanked the delegations for their positive, constructive comments, including the favourable comments on the analytical quality of the report. She noted that UNDG had been stressing harmonization of programmes and procedures and Governments would indeed play a strong role in the process. As an example, she noted that there was a proposal for joint procedures for medium-term reviews, which would, of course, be undertaken with the full involvement of the Government and under its leadership. She observed that in the interest of time, UNFPA would respond bilaterally to some of the more detailed issues that had been raised.

UNDP segment

VI. Business plans

152. The Administrator introduced his report "Meeting the challenge: the role of UNDP in crisis, post-conflict and recovery situations, 2000-2003" (DP/2000/18) and the executive summary of the evaluation "Sharing new ground in post-conflict situations: the role of UNDP in reintegration programmes" (DP/2000/14). He explained that he would give his own view on where he felt UNDP should be headed with regard to the subjects of the reports while addressing some of the concerns that had already been voiced.

153. The Administrator underlined that natural disasters and conflicts of all types had been on the increase worldwide, with nearly a quarter of the world's population now facing some type of crisis or post-conflict situation. The poor were forced to bear a disproportionate share of the impact of weakened environment or conflict situations. In that regard, UNDP was faced with a clear development challenge because of the effects of crises as well as the broader impact on societies and states. UNDP was well placed to offer assistance because of its presence and trust as the development agency of programme countries, particularly in the context of the new Business Plans. In that regard, however, a clear sense of the comparative advantages and existing strengths of UNDP was required, taking into consideration the need to fit into the broader vision of a United Nations role and the wider efforts of the donor community. Three broad areas of comparative advantage of UNDP were: coordination through the resident coordinator functions; experience in core niches such as governance and land mines; and an operational, community-development role in programme countries.

154. The Administrator elaborated on seven managerial decisions that were needed in order for UNDP to become more responsive and effective in addressing its work in the area of crisis and post-conflict situations. First, he underlined that UNDP was not seeking approval from the Executive Board to move into new areas or divert extra funds beyond those already committed under the target for resource assignment from the core (TRAC) line 1.1.3. Instead, UNDP would rely on leveraging those funds for an expanding non-core base to fund new activities. Activities would remain country-driven and UNDP would respond as appropriate at the country level to new needs created by conflicts or natural disasters. Second, he aimed to bridge the funding gap between humanitarian assistance and longer-term reconstruction finance. Third, he supported the need to enhance and expand partnerships aiming to bridge the gap with community programmes that created hope and allowed former combatants and affected civilians a modest peace dividend. Fourth, country-team coordination must be improved. Fifth, niche skills such as mine action and reintegration must be maintained and built upon. Sixth, collaboration with the United Nations Department of Peace-keeping Operations and the Department of Political Affairs must be strengthened. Seventh, as heavy reconstruction began, UNDP would phase back its role to core activities, especially repairing the social fabric and improving governance.

155. In conclusion, the Administrator emphasized that UNDP was not seeking to expand or widen its authority, but rather to build up the competence of its people in this area and improve inter-agency coordinating skills. The activities envisaged were derived explicitly from mandates already given by the General Assembly and the Executive Board. UNDP was not seeking any new mandates and would continue to serve countries' development needs before, during and after conflicts and natural disasters as a country-driven organization. He noted that the references to prevention meant using existing tools in transparent and accepted ways. When invited, UNDP could help to ensure that its role in areas such as parliamentary support and capacity-building could help to channel incipient conflicts towards peaceful resolution. Thus, UNDP was recommending a deepening of existing policy arrangements, encompassing more effective implementation, in partnership with others. As this competency became integrated into UNDP core activities, it would help the organization to play a much more effective role at all levels in crisis and post-conflict situations.

Comments

156. Most delegations announced that they would be making only preliminary comments on the subject owing to the lateness of the report "Meeting the Challenge: the role of UNDP in crisis, post-conflict and recovery situations, 2000-2003" (DP/2000/18), which they considered a work-in-progress. Speakers requested that the Executive Board take up the matter again at a future session, following extensive informal consultations. A clear action plan, possibly with options, was needed. Many delegations welcomed the statement by the Administrator, which had provided clarification on several points. Some delegations regretted that the findings in the evaluation report "Sharing new ground in post-conflict situations: the role of UNDP in reintegration programmes" (DP/2000/14) had not been sufficiently incorporated into document DP/2000/18.

157. Delegations underlined the fact that as one fourth of UNDP programme countries were in crisis or post-conflict situations, the need for a UNDP role was

very clear. Most speakers agreed with the Administrator that the role of UNDP needed to be enhanced in special development situations without creating a new mandate. Some speakers called for the activities of UNDP in special development situations to be mainstreamed. Some delegations stated that the main functions of UNDP as coordinator, adviser, advocate and capacity-builder should remain basically the same. Many speakers emphasized the need for activities to remain country driven and transparent, with respect for national sovereignty. The need to strengthen the response capacities of the resident coordinator system was underlined. Several speakers stated that the activities of UNDP in crisis and post-conflict activities should be in line with the general upstream orientation of UNDP, as outlined in the Business Plans 2000-2003.

158. Some speakers pointed out that UNDP often functioned very successfully in countries in crisis and post-conflict situations, citing a clear comparative advantage for the organization. One delegation pointed out that in the early phases of a resumed development process, the central place of UNDP in the United Nations system, its coordinating role, and its growing emphasis on networking and newly emphasized activities gave it a distinct comparative advantage at the country level. Several speakers supported the Administrator's call to pay increased attention to the development gap in the early stages of post-conflict situations.

159. One speaker, noting the findings contained in document DP/2000/14, stressed that area-based economic assistance for the recovery of the affected community, supplemented by specific measures for target groups, offered the best mechanism for putting the social and economic development of those countries on track. The speaker stressed that all emergencies must be treated in an equitable manner, irrespective of geographical region. It was also distressing to learn that in some instances, the evaluation had noted that UNDP was being driven by donors' time-line requests and not by the organization's own framework for responses and policies or national priorities. The same delegation also questioned the recommendation that post-conflict assistance be a major part of the UNDP mission and mandate since the key mandate for UNDP was assistance to developing countries, whether in crisis or not.

160. Another speaker, in analysing the link between the role of UNDP in poverty eradication and its activities in crisis and post-conflict situations, underlined that conflicts arose when power and resources were unequally distributed or structures between groups were differentiated in other ways. That delegation concluded that the approach to development needed to be modified — even if the same type of activities were undertaken, sensitivity to local situations was paramount — and UNDP must do the right things at the right times, with adequate local ownership and capacity. Representatives of programme countries that had benefited from UNDP assistance in crisis or post-conflict situations commented on their national experiences. One cited the importance of TRAC 1.1.3 resources, the need for peace-building to include a development component, and the role of the resident representative as coordinator of technical cooperation. One of the lessons learned in that instance was that there was no clear-cut breakdown between reintegration, humanitarian aid, post-conflict activities and reconstruction, necessitating post-conflict activities to be flexible and rapid. Other speakers noted the role that UNDP had played in their countries in special development situations.

161. Some delegations underlined the need to differentiate between the activities and comparative advantages of UNDP in situations of crisis, post-conflict or natural disasters, including the difference between natural and man-made disasters. In that regard, several speakers emphasized the need to examine carefully the proposed role for UNDP in conflict prevention activities to avoid any contradiction with the existing mandate of the resident representative/resident coordinator. It was essential that no new mandates be created in this area, in particular if Member States had not agreed to them in inter-governmental forums. Moreover, new concepts must be clearly defined and agreed on before implementation took place.

162. One delegation cautioned against the references in document DP/2000/18 that had not obtained inter-governmental approval, such as linkage between population growth and natural disasters, inappropriate waste disposal and climate change and the term "environmental refugees". The speaker also raised queries about several other references in the report, including with regard to alternative models of development cooperation, UNDP support to national non-governmental organization capacity, cooperation with Bretton Woods institutions, non-state actors, and local and international media. The speaker also requested further information on how countries "clearly threatened by violence" would be judged and by whom.

163. Several delegations expressed support for UNDP activities in natural disaster situations, as legislated by General Assembly resolution 52/12B, and in mine action. One delegation noted that resolution 52/12 B gave UNDP a mandate only in operational activities, not in policy, advocacy, or coordination. Another delegation called for an analysis of the UNDP role in demobilization and de-mining, linked to the upstream approach described in the Business Plans 2000-2003, as those activities needed to be undertaken urgently and did not leave room for long-term capacity-building. That delegation also noted that there should be further examination of a possible role for UNDP in capacity-building in the area of control of small arms, in the absence of any other United Nations organization working on that issue.

164. With regard to the financing of special development situations, some delegations underlined that additional resources should not be drawn from the core budget. Some other delegations stated that country offices, in consultation with programme countries, should be allowed to use TRAC 1.1.1 and 1.1.2 resources allocated to them more flexibly, should there be a need to deviate from a country cooperation framework in a crisis situation. One speaker noted that extrabudgetary funding for emergencies was usually unavoidable, but that it should not apply to emergency preparedness activities or to post-conflict activities, where funding from core was necessary. In that regard, it could be possible to increase above the present 5 per cent ceiling the amount of funding from core for those purposes as well as for staffing of the Emergency Response Division and for the proper training of resident representatives. Another speaker requested information on the total amount of non-core resources utilized in post-conflict activities. Most delegations underlined the need to study the issue more thoroughly.

165. Most speakers addressed the need for UNDP to strengthen its partnerships and coordination with all other actors involved in crisis and post-conflict situations, with the intention of avoiding overlap, particularly at the country level. In that regard, UNDP must ensure proper coordination with the United Nations Departments of Peace-keeping Operations and Political Affairs and the Office for the Coordination

of Humanitarian Affairs. Any overlap with the United Nations Office for Project Services should also be avoided. One delegation raised a query regarding how UNDP could reconcile its mandate with those of institutions whose pursuit of macroeconomic stability tended to aggravate special development situations.

166. Several delegations stated that the functions of the Emergency Response Division needed to be carefully examined, in particular with regard to its relationship to the regional bureaux and the country offices. Some speakers noted the heavy burden of work on the Division and the unpredictability of its working environment.

Response by the Administrator

167. The Administrator thanked the Executive Board for its comments and noted that there would be further consultations before the submission of a future report on the subject. He underlined that UNDP would build on its own competencies in the area of crisis and post-conflict situations, within its own mandates. Interventions would be made only when UNDP was invited to do so. He reiterated that the comparative advantages of UNDP were its presence in a country before, during and after a crisis, its flexibility and trust. However, UNDP understood the possibilities and the limits of its role in special development situations. On the issue of resources, he agreed that there must be even-handedness and that TRAC 1.1.3 resources should not go to the high-profile emergencies. He presently had reservations about using more core resources for special development situations owing to the diminished level of core resources. If the funding targets set by the Executive Board had been reached, however, he noted that those resources would obviously increase in absolute terms. On an interim basis, it was hoped that non-core resources could be attracted for less noticed emergencies. The positive comments on the work of the Emergency Response Division were welcomed.

168. The Executive Board took note of the report: "Meeting the challenge: the role of UNDP in crisis, post-conflict and recovery situations, 2000-2003" (DP/2000/18) and invited the Administrator to present to the Board at its first regular session 2001, a document that further elaborated on the specific role of UNDP in special development situations and to present concrete plans for its further implementation after a full and wide-ranging consultation process. The Board took note of the executive summary of the evaluation: "Sharing new ground in post-conflict situations: the role of UNDP in reintegration programmes" (DP/2000/14).

VII. Funding commitments to UNDP

169. The Administrator introduced the item, noting that while he would have some very positive developments to share with the Executive Board, his main message would be disappointing. As outlined in the Report on regular funding commitments to UNDP and its associated funds and programmes for 2000 and onwards (DP/2000/CRP.6), preliminary figures indicated that nine members of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) would increase their contributions in local currency for 2000 while nine others would maintain their current contributions. Many programme countries had increased their commitments, a very positive sign of their continued faith in the role of UNDP. A total of 12 contributing countries,

including both donor and programme countries, pledged to raise their contribution by an impressive 15 per cent or more in local currency. They included Bangladesh, Benin, Czech Republic, France, Ghana, Ireland, Italy, Liechtenstein, Luxembourg, Japan, Poland and Romania. Of these, Ireland had increased its contribution by 35 per cent while Japan, with its very generous $20 million increase to $100 million, would be the single largest donor to UNDP for the year. UNDP was extremely grateful for the support.

170. Despite those increases, he could not report a return to growth in core resources. One reason was continued currency problems and another the long budgetary lead time needed in some donor countries before increased support could then turn into increased contributions. More broadly it reflected the fact that UNDP had not been able to translate the sincere good wishes of other donors into corresponding commitments. This meant that in 2000 UNDP regular, or core, income was projected at the level of $682 million, roughly the same as in 1999, well short of the funding target of $800 million agreed by the Executive Board at the third regular session 1999 when the multi-year funding framework (MYFF) 2000-2003 was approved by the Board along with the broader goal of rebuilding a core of $1.1 billion over the following few years. Contributions to the United Nations Capital Development Fund (UNCDF) were also down slightly, although one new OECD/DAC country had joined the donor group for UNCDF.

171. The figures for 1999 were particularly disappointing because they came at a time when UNDP had expected to put those problems behind it with the implementation of the MYFF, the presentation of the first results-oriented annual report (ROAR) in June 2000 and the integration of reforms in the Business Plans 2000-2003. He noted that the painful but necessary step of approving a 25 per cent reduction in headquarters personnel, covering all contractual modalities and funding sources, had been taken as part of the broader realignment of the goals of UNDP. Now, however, the overall resource situation has required him to go beyond that healthy restructuring of headquarters to make an "across the board" cut of 10 per cent in UNDP core administrative costs. While cutting at headquarters remained a strategically sensible move, reducing field costs eroded the frontline capacity of UNDP to serve field operations. In that regard, he stated that donors who wanted to see performance first should bear in mind the handicaps of UNDP. The rebuilding of UNDP had to be a mutual effort, in which programme countries accepted to give greater focus to UNDP activities, in which management was committed to reform and in which donors met their commitments to provide greater resources.

172. The Administrator gave an overview of the reform measures that had been taken. He informed the Executive Board that a global meeting of resident representatives had been held in Glen Cove in early March 2000 to discuss the changes. At headquarters, UNDP was moving rapidly to streamline operations and to ensure that New York was focused on finding new and better ways to serve the needs of the field. The Executive Team had adopted a detailed plan to carry out the previously announced 25 per cent reduction in staff. Total headquarters staff would thus drop by 26 per cent during the following two years, with 14 per cent of functions relocated to the field and 12 per cent of posts eliminated. The 10 per cent across-the-board cut in core costs would now be incorporated into the exercise. While such a cut had been required under MYFF commitments for 2002-2003 to maintain a zero nominal-growth budget and to meet the Administrator's pledge that every new core dollar would go to the programme, UNDP had not planned to face

such a challenge so soon. The move would allow UNDP to save $50 million over two years but would bear heavily on the field where two-thirds of administrative costs were incurred.

173. The current situation, the Administrator underlined, was about the United Nations and its role in development and about confronting the challenges of a new millennium with the real conviction that a difference could be made in narrowing the gap between rich and poor. It was about ways to help countries not merely to adapt to globalization, but to seek real, tangible benefits from it. An inadequate core-funding level meant in practice that many programmes throughout the world would be decimated. He noted that in sub-Saharan Africa, the top-priority region of UNDP, programme resources had dropped by about 48 per cent since 1992, despite the fact that needs were greater than ever. When adjusted for inflation, the fall was an even more alarming 60 per cent. He underlined that UNDP, with its sister agencies in the United Nations Development Group and other partners, was making real progress in tackling world poverty. That effort, however, required adequate resources. Furthermore, the ability to mobilize non-core funding depended on the ability to leverage UNDP core resources effectively. In that context, he hoped that additional donor relief might be available in 2000 to help postpone the crisis.

174. The Administrator made five points to the Board about the broad lessons of the current crisis: first, UNDP must remain firmly committed to its broad reform agenda; second, UNDP must press ahead with new non-core strategies and partnerships that will help it to raise additional resources and to tap into new expertise; third, UNDP could learn from the positive examples provided by the United Nations Volunteers (UNV) and the United Nations Development Fund for Women (UNIFEM) which had both recorded increased contributions in 2000; fourth, political support for UNDP must be broadened and reinforced; and fifth, political support needed to be translated into practical action. With regard to the fifth point, he emphasized the need to seek a better way of setting up a more formalized, transparent multi-year commitment from donors. Although UNDP would remain voluntarily funded, he suggested that something broadly comparable to the International Development Agency (IDA) funding arrangement should be established. The underlying idea was that institutionalizing an IDA-like funding arrangement would provide UNDP with both a multi-year commitment that was predictable and that relied on inter-donor group pressure to ensure fair burden-sharing. The arrangement was attractive to the donors because it offered the possibility of putting the finances for United Nations development cooperation on a sound footing at a time when the challenges of globalization would exact a heavy price if it did not.

175. One way of reaching the goal, the Administrator suggested, would be to hold a ministerial-level meeting with the specific goal of debating and endorsing such a plan. There would be close consultations on the timing and agenda of such a meeting, which could possibly be held in September 2000 around the Millennium Summit when high-level attendance would already be guaranteed.

176. He concluded with the promise that a less bureaucratic UNDP was being built, clearly aligned with focused corporate goals and organized to support the field, a UNDP that would work as a knowledge organization where innovation unwinding at the field level would be shared globally. He underlined, however, that although this dynamic, focused and relevant UNDP working at the heart of development

cooperation was very close at hand, it would be impossible without any real and immediate prospect that core resources would rise sharply. In this event, he would have to return to the Board in 2001 with proposals to terminate the system of regularly funded United Nations development cooperation, as it was known at the time. It was now or never to break the cycle of declining core resources.

177. The Director of the Division for Resources Mobilization gave a presentation on the highlights of regular funding commitments, and/or estimates, to UNDP and its associated funds and programmes for 2000 and onwards, as contained in DP/2000/CRP.6.

178. The Director of the Evaluation Office gave an oral report on the emerging results of the MYFF 2000-2003, noting that the ROAR, to be presented at the annual session 2000, would be the next step in the implementation of the MYFF process. The ROAR was the first comprehensive appraisal of the performance of UNDP, representing an integrated look at performance and resources, enabling UNDP to build on its strengths and highlight concerns. Key outcomes and outputs for all six goals of the MYFF would be included, with more detailed analysis of the three highlighted sub-goals for 1999: (a) strengthening the capacity of key governance institutions for people-centred development and fostering social cohesion; (b) promoting poverty-focused development and reduced vulnerability; and (c) providing effective and integrated follow-up to United Nations global conferences within the context of sustainable human development. He noted that the ROAR gave feedback on the validity and relevance of UNDP programmes. The basic analysis of the ROAR covered trends and highlights, the comparison of performance and emerging issues. The aim of the methodology was to strengthen evaluation and learning efforts as well as substantive accountability. He underlined that the findings of the 1999 ROAR demonstrated that UNDP was moving upstream in terms of its outcomes and expenditures. He also elaborated on the findings related to poverty and governance. Next steps included revising the strategic results framework (SRF), employing the SRF as a management tool, using ROAR analysis to provide a rich basis for improving future performance; furthering the methodology's evolution; sharpening the comparative advantage of UNDP; and identifying and building on emerging products and services.

[Note: The summaries of statements made by delegations are contained in the annex (see page 69).]

179. Responding to comments raised during the discussion, the Administrator thanked the Executive Board for its recognition of the seriousness of the present situation. He recognized the nine donors who had increased their contributions and the nine who had sustained their contributions. The financial crisis had seriously affected UNDP programmes, to the point where it was running into a deficit situation and making drastic cuts. To give an example, the Administrator noted that programmes in Africa had been cut in real terms by 60 per cent. In Mozambique, the subject of an informal briefing the previous day, funds for 2000, of only $4.5 million, were already committed. In the case of that country, the only funds available for the flooding crisis were from TRAC line 1.1.3. The lack of resources was thus gnawing at the relationship of trust, presence and flexibility between UNDP and the programme countries. UNDP now had to close the door on new needs and demands. By 2001, there would be an accumulated deficit and the system of a global UNDP funded by regular contributions would no longer be viable.

180. The proposal to consider using IDA-style funding was not a call for it to replace the MYFF. However, the lack of an enforcement mechanism in the MYFF needed to be addressed. His proposal was to move from an entirely voluntary system to a "self-policing" system that was still voluntary. The legal enforcement and the conditionality of the IDA system, however, would not be included. A ministerial meeting in September 2000 could be used to gain endorsement for a stronger approach. UNDP did not have a clear popular niche as did other funds and programmes in the United Nations. The organization had to be focused and attractive in order to gain funding. Not only was UNDP a network through the resident coordinator system but it was also recognized as the country presence of the United Nations in those countries. If the issue was not addressed, the very fundamental nature of UNDP as a universal presence was at risk. If there was no progress in the coming year, the Administrator would need to approach the Board again in 2001 with radical and drastic measures. UNDP was at a serious crossroads.

181. On behalf of UNIFEM, UNV and UNCDF, the Administrator expressed gratitude for the pledges announced at the present session. He also thanked those countries that had made increases in their contributions and those who carried a "higher burden" in terms of funding.

182. The Executive Board took note of the oral report on the emerging results of the MYFF.

183. The Executive Board took note of the report on regular funding commitments to UNDP and its associated funds and programmes for 2000 and onwards (DP/2000/CRP.6 and DP/2000/CRP.9 and Rev.1).

VIII. Evaluation of the relationship between UNOPS and UNDP

184. The Associate Administrator introduced the executive summary of the Evaluation of the relationship between the United Nations Office for Project Services (UNOPS) and UNDP (DP/2000/13) and the note on the Evaluation of the relationship between UNOPS and UNDP: A joint review of the recommendations (DP/2000/CRP.8). He stated that the evaluation represented an important milestone in the UNOPS/UNDP relationship. It had been since six years since UNOPS was created as a "separate and identifiable" entity of the United Nations. UNOPS currently carried out the largest volume among United Nations agencies of UNDP-funded operational activities. The Associate Administrator pointed out that UNDP had suggested performing an evaluation becæuse it recognized the importance of maintaining positive UNOPS/UNDP relations. However, this relationship needed to evolve further and to allot more effort to thought and dialogue between the two organizations before finalizing a clear strategy for the future. Both organizations would need to take steps without, of course, neglecting their legislative mandates. He also noted that UNDP and UNOPS found recommendations 1, 2(d), 4, 6(c), 8 and 9 acceptable as formulated and were in a position to begin their implementation immediately. Other recommendations required additional discussion between the two organizations. Recommendations 2(a), on delineation of responsibilities, and 4, on options for the future of the Management Coordinating Committee (MCC), required further deliberations by the MCC, and in the case of recommendation 3, consultations with the Secretary-General. Recommendation 2(b), on overlaps, would be dealt with bilaterally by UNDP and UNOPS. Recommendation 5, on resources

mobilization, would be discussed further, keeping in mind the established legislation, and the view of both organizations, recently agreed on by UNOPS and UNDP, that the UNOPS role in system-wide implementation would be undermined by any direct fund-raising. Recommendations 6(a) and (b) on UNDP execution modalities would be considered by the Executive Board following the presentation of the independent evaluation of UNDP non-core funding at the annual session 2001, noting that any discussion on execution and implementing modalities of UNDP had implications for UNOPS. Recommendation 7 on financing principles for country offices would be considered by the Executive Board at the third regular session 2000.

185. The Executive Director of UNOPS stated that the Executive Board had established UNOPS as a service entity, which adopted a code of ethics for its daily work with the client of primary concern. The self-financing nature of UNOPS meant that the organization had no other income aside from management fees and support costs earned for services rendered. Furthermore, UNOPS needed to compete for business. All clients, he noted, were urged to review their experience with UNOPS from time to time, especially to determine whether they continued to obtain value for money. The Executive Director also underlined that UNOPS had welcomed the UNDP proposed evaluation of the relationship between the two organizations. With regard to DP/2000/CRP.8, he emphasized that UNOPS intended to remain a party in future discussions. All of the recommendations directed to UNOPS represented work in progress, on which the Executive Director would report periodically to the Executive Board. He noted that the recommendation regarding UNOPS engagement in fund-raising activities, in cooperation with and on behalf of UNDP, was seen by some as revolutionary in that in creating UNOPS the Executive Board was clear in stating that UNOPS must not be involved in funding activities. While the Executive Director stated that UNOPS did not intend to engage in fund-raising, he noted that on occasion, UNOPS had assisted UNDP resident representatives and regional bureaux with resource mobilization, when so requested. In these cases, all funds became UNDP resources. He closed by paying tribute to the excellence of the evaluation report.

186. Many speakers welcomed the evaluation hoping that by discussing both its positive and negative aspects, it would contribute to improving UNOPS/UNDP relations. Many delegations welcomed DP/2000/CRP.8, especially because it included the immediate steps to be taken. The paper was helpful in clarifying the roles and actions needed. Several speakers referred to the lateness of the documentation, including in languages, which had made it difficult for them to respond at the present session. Continued dialogue was encouraged, with the aim of defining and delineating the respective roles of the two organizations. One delegation stated that reports from each organization, responding point by point to criticisms raised by the evaluation team, would have been useful. It should be made clear where the Secretariats did not plan to follow the recommendations.

187. All delegations expressed strong support for the need to clearly define the respective responsibilities of the two organizations (recommendation 2 (a)), while maintaining the present structural arrangements (recommendation 1). Existing overlaps, such as in the area of crisis and post-conflict activities, should be corrected. One speaker, noting that both UNOPS and UNDP had worked in her country during a post-conflict situation, cited positive results, in particular as the role of each organization had been well defined and the personal relationships

involved had been positive. Two delegations indicated that, even with the best intentions, there would always be some conflict between the two organizations based on the nature of the institutional arrangements. Some delegations cautioned against the possibility that UNOPS could become involved in more than executing activities, warning that a new United Nations agency should not be created.

188. Some speakers underlined the need for careful attention to recommendation 3 regarding the Management Coordination Committee (MCC). One delegation suggested that the Secretary-General and the MCC should take responsibility for the oversight and guidance of UNOPS, questioning what direct authority the Executive Board would have otherwise. Some speakers requested a timetable for implementing this as well as other recommendation that did not have specific time-frames.

189. With regard to recommendation 5 on resource mobilization, most speakers underlined that more discussion between the two organizations would help to define more clearly the role of UNOPS in this area. Consultation with the Advisory Committee on Administrative and Budgetary Questions (ACABQ) was also requested before the matter was brought back to the Executive Board. Many speakers stated that it would be fundamentally wrong for UNOPS to engage in fund-raising activities of its own and were gratified that the Executive Director had clarified this matter during his introduction.

190. Many speakers expected the results of the evaluation on non-core funding to be presented to the Executive Board at its annual session 2001 in relation to recommendation 6 on execution modalities. One delegation suggested that UNDP identify the most cost-effective and efficient executing agent on a competitive basis. Direct execution should be utilized only when there was no other executing agency capable of implementing the project or willing to do so. Further examination of this recommendation by the UNDP/UNOPS task force was welcomed. One delegation noted that most activities in his country were nationally executed, although UNOPS had a large portfolio of World Bank and Global Environment Facility projects. That delegation expressed the hope that in the future these projects would be available to national agencies to contract out and employ national experts to further improve national expertise. Another speaker stated that the issue of execution modalities was linked with graduation to increase system incentives for that process.

191. Consultation with ACABQ on recommendation 7 regarding financing principles for country offices was requested. One delegation proposed that UNDP bring in external auditors more frequently in that context. Full internal reviews would ensure UNDP cost recovery for country office services provided to UNOPS and would clarify central headquarters service charges by UNDP.

192. Delegations looked forward to further discussion of recommendation 8 on financial reporting and recommendation 9 on administrative issues at the third regular session 2000. Consultation with ACABQ on the issue of financial reporting was requested. One delegation underlined the importance of fee setting in recommendation 9.

193. All delegations look forward to future reporting to the Board on the implementation of the recommendations contained in the evaluation. Some speakers requested that a comprehensive report be submitted at the annual session 2001 and progress reports as applicable at prior sessions. It was noted that a timetable should be set for recommendations requiring further dialogue.

194. The Associate Administrator thanked all delegates for their valuable contributions, adding that appropriate measures would be taken to ensure that all documentation is submitted and presented to the Executive Board on time in future sessions. On the question of the delineation of responsibilities between the two organizations, he underlined that the MCC would discuss the issue and the Administrator and Executive Director would report to the Board accordingly. Financial reporting would be more accurate, he affirmed, as compared with the past. He reiterated what was stated in DP/2000/CRP.8 that the UNDP Emergency Response Division would consult with UNOPS concerning possible overlaps in the area of crisis and post-conflict situations. He noted that UNOPS was executing 85 per cent of line TRAC 1.1.3, thereby making overlaps only in the remaining 15 per cent. In answering a question, he stated that the evaluation had been undertaken in close cooperation with UNOPS, which had confirmed the terms of reference.

195. The Executive Director of UNOPS thanked UNDP for its initiative to undertake the evaluation and confirmed that UNOPS had been consulted on the terms of reference and the composition of the evaluation team. On the question of financial reporting, he noted that UNOPS had allocated additional funds to maintain manually based systems of financial reporting while the new institutional systems were being developed, allowing reports to be available to the Executive Board and national managers. Additional feedback would be provided to the Executive Board on this issue. He reiterated that the recommendation concerning overlaps in the area of crisis and post-conflict situations was the subject of consultations between UNOPS and UNDP. He further stated that it was his understanding that the Executive Board had full authority over UNOPS, similar to the one it had for UNDP and UNFPA, on the basis of legislation passed by the General Assembly and Executive Board itself. In this regard, the Office of Legal Affairs could be requested to provide an opinion. On the issue of the nature and scope of UNOPS activities, the Executive Director stated that as UNOPS was a demand-driven service organization, it could not exist independently of its clientele. If demand for its services decreased, then it would have to scale down, even with regard to staffing levels. A service provider with no markets could not develop an existence independent of its clientele. He noted that the level of communication between the Administrator and himself was excellent, with monthly meetings and follow-up procedures.

196. The Executive Board took note of the executive summary of the evaluation of the relationship between UNOPS and UNDP (DP/2000/13) and the note on the evaluation of the relationship between UNOPS and UNDP: a joint review of the recommendations (DP/2000/CRP.8) and decided to revert to this item at the annual session 2001.

IX. Country cooperation frameworks and related matters

197. The Associate Administrator introduced the notes of the Administrator on assistance to the Republic of Congo (DP/2000/12) and Afghanistan (DP/2000/16), the second country cooperation frameworks for Kazakhstan (DP/CCF/KAZ/2), Kyrgyzstan (DP/CCF/KYR/2 and Corr.1) and Zimbabwe (DP/CCF/ZIM/2), and the first extensions of eight country cooperation frameworks (CCFs) in the Caribbean, of technical cooperation for developing countries (DP/CF/TCDC/1/EXTENSION I) and of the regional cooperation framework for Latin America (DP/RCF/RLA/1/EXTENSION I). He also introduced the report on earmarkings for

the target for resource assignments from the core (TRAC) for 2000-2003 (DP/2000/17), noting that the Administrator would proportionately adjust the programming levels for all programming lines in accordance with estimates of available core resources.

198. One delegation expressed regret that the trend of contraction of resources to the regional level had continued, as shown in the first extension of the regional cooperation framework for Latin America (DP/RCF/RLA/1/EXTENSION I). It seemed that the reduction of allocations to the regional levels in Latin America had been reduced at a higher rate than for national programmes in the region. The speaker cited the clear advantages of the regional programme, particularly in a region in which countries cooperated well together.

199. Another delegation suggested that more information on inter-agency processes at the country level, specifically with regard to the United Nations Development Assistance Framework (UNDAF) and the common country assessment (CCA), be included in the CCFs. The speaker also welcomed the emphasis on assistance to vulnerable groups in Kazakhstan and suggested that UNDP cooperate with bilateral agencies in the area of employment promotion in that country. It was regrettable that the CCF for Kyrgyzstan was submitted to the Executive Board too late for adequate comment.

200. Several delegations commented on the note of the Administrator on assistance to Afghanistan. One speaker praised the focus on gender and human rights and requested the figures for overall resources to be devoted by UNDP to Afghanistan during 2000-2003. Another speaker welcomed the inclusion of impact indicators and hoped that the assistance would relieve the suffering of people in Afghanistan. Other delegations warned of the serious political and social problems, including narcotics trafficking, that they perceived as hindering the development process in that country. Those speakers suggested that UNDP interventions at the community level and in crop substitution could be negatively affected. One speaker indicated that his Government was prepared to offer markets for Afghanistan produce.

201. One delegation noted that his Government's bilateral cooperation with the Republic of Congo would resume now that the situation had improved and hoped that cooperation with UNDP would also take place at the country level.

202. The Permanent Representative of Kazakhstan expressed appreciation for the cooperation with UNDP in her country, noting that the second CCF was based on positive experience and good coordination experienced during the period of the first CCF.

203. The Assistant Administrator and Director of the Regional Bureau for Asia and the Pacific informed the Executive Board that the total funding for assistance to Afghanistan for 2000-2003 was approximately $12.2 million. He noted that UNDP constantly searched for methods to operate in Afghanistan that would provide development assistance in the most effective way. The community-based approach had a long tradition in Afghan culture. The United Nations programme in Afghanistan was supported by five regional offices in the country, he noted. The thematic evaluation of the PEACE programme conducted in 1999 would be made available to the Executive Board upon request.

204. The Assistant Administrator and Director of the Regional Bureau for Latin America and the Caribbean agreed that regional activities were of great importance.

At a time of limited resources, the regional cooperation frameworks and subregional programmes complemented national-level programmes and acted as catalysts for activities in the region. She did not think that the regional cooperation framework in question had been disproportionately reduced as compared with national allocations, but would check into it. She underlined that there would be an extensive dialogue with the governments of Latin American countries in preparation for the next regional cooperation framework.

205. The Officer-in-charge of the Regional Bureau for Africa welcomed the comment on assistance to the Republic of Congo, noting that as prospects for peace increased, programme activities would resume at a normal pace. The objective of UNDP cooperation was to support the peace initiative in the country and assist the communities most affected. UNDP would collaborate fully with bilateral agencies at the country level. He noted that the second CCF for Zimbabwe had been prepared in collaboration with the Bretton Woods institutions at the country level as well as with civil society.

206. The Deputy Resident Representative in Zimbabwe underlined the collaborative role played by the Bretton Woods institutions in the second CCF and the first country review report for Zimbabwe. She also stressed the importance of inter-agency work, noting that there were several references in document DP/CCF/ZIM/2 to the UNDAF in the country.

207. The representative of Albania expressed his Government's appreciation for the successful cooperation with UNDP in his country and looked forward to the presentation of the second CCF.

208. The Executive Board authorized the Administrator to approve assistance to the Republic of Congo on a project-by-project basis for 2000-2001.

209. The Executive Board authorized the Administrator to approve assistance for Afghanistan on a project-by-project basis for the period 2000-2003.

210. The Executive Board took note of the report on earmarkings for the target for resource assignments from the core for 2000-2003 (DP/2000/17).

211. The Executive Board took note of the following extensions of country and regional cooperation frameworks: first extension of the cooperation framework for technical cooperation among developing countries (DP/CF/TCDC/1/EXTENSION I); first extensions of the first country cooperation frameworks for Anguilla (DP/CCF/ANL/1/EXTENSION I), Barbados (DP/CCF/BAR/1/EXTENSION I), British Virgin Islands (DP/CCF/BVI/1/EXTENSION I), Dominica (DP/CCF/DMI/1/EXTENSION I), Grenada (DP/CCF/GRN/1/EXTENSION I), Guyana (DP/CCF/GUY/1/EXTENSION I), Saint Lucia (DP/CCF/STL/1/EXTENSION I), Saint Vincent and the Grenadines (DP/CCF/STV/1/EXTENSION I), and the first regional cooperation framework for Latin America (DP/RCF/RLA/1/EXTENSION I).

212. The Executive Board approved the second country cooperation frameworks for Kazakhstan (DP/CCF/KAZ/2), Kyrgyzstan (DP/CCF/KYR/2 and Corr.1) and Zimbabwe (DP/CCF/ZIM/2).

213. The Permanent Representative of Kyrgyzstan expressed gratitude to UNDP and the Executive Board for approval of the second country cooperation framework for her country.

214. The Deputy Permanent Representative of Zimbabwe thanked the Executive Board for approval of the second country cooperation framework for his country, noting the benefit to the poor through income-generating projects and work to combat HIV/AIDS.

Country review reports

215. The Associate Administrator noted the agreement of the Executive Board to discussion of ten highlighted country review reports per year at regular sessions. He informed the Executive Board that the country review reports for Algeria, Guatemala, Poland (together with its second country cooperation framework), and Uganda would be submitted to the Board at its third regular session 2000.

First country review report for Cambodia

216. The Assistant Administrator and Director of the Regional Bureau for Asia and the Pacific introduced the first country review report for Cambodia (DP/CRR/CAM/1), which covered the period 1997-2000 and had been conducted by an independent team in September to October 1999. The review team had concluded that UNDP had played a critical role within Cambodia in transition from crisis to normalcy and had modified its programme as needs had changed. The strategic results framework for Cambodia was an appropriate and up-to-date guide for activities in the country. The review had concluded that UNDP was deeply involved in a policy dialogue with the Government and had played an important role in strengthening partnerships and in aid coordination. The strategy of UNDP was to pair capacity-building for promoting local level socio-economic development and governance with institutional strengthening at the central and provincial levels.

217. The Deputy Assistant Administrator of the Regional Bureau for Asia and the Pacific noted that a reform programme would be announced by the Government of Cambodia in April 2000.

218. The Deputy Permanent Representative of Cambodia expressed gratitude for the assistance of UNDP, which in the 1990s had addressed vast and complex needs, including settlement of refugees and mine clearance as well as democratic reform. Assistance at the regional level had also been quite valuable. As a least developed country, Cambodia still faced challenges in the areas of poverty and reform. His Government welcomed plans for an Executive Board field visit in May 2000.

219. One delegation underlined the importance of de-mining activities in Cambodia. The speaker noted that upstream coordination was required in view of the multiple funding sources in the country. In Cambodia, the diverse approaches and types of activities gave rise to difficulties when determining objectives that were acceptable to all parties.

First country review report for Uzbekistan

220. The Officer-in-charge of the Regional Bureau for Europe and the Commonwealth of Independent States (RBEC) introduced the first country review report for Uzbekistan (DP/CRR/UZB/1), which examined the implementation of the first CCF for Uzbekistan (1997-1999). The findings had been discussed and agreed with the Government in July 1999. She drew attention to the highlights of findings of the review, including the focus on jobs and incomes, democracy, governance and

participation, environment and promotion of regional dialogue, including those elements in each area that had been included in the first CCF. The review had stressed the need to follow a consistent, focused approach to programming, avoid an ad hoc allocation of resources and ensure greater coherence among UNDP-supported initiatives. The review had also emphasized the need for a joint Government-UNDP strategy to increase prospects for sustainability of key institution-building initiatives. Development of a comprehensive resource mobilization strategy was recommended.

221. The representative of Uzbekistan expressed gratitude for the country review report, noting that it gave a clear picture of the initial problems faced during the tenure of the first CCF. He expressed gratitude to both the former and current resident representatives who had served in Uzbekistan. He noted that close cooperation with UNDP in the area of democratization, governance and participation would hopefully lead to future successful programmes.

222. One delegation commended UNDP on its efforts to reduce the number of projects in Uzbekistan and to expand its activities outside of the capital. Additional information on the Centre for Human Rights was sought.

223. The Officer-in-charge, RBEC, noted that the second CCF for Uzbekistan was under preparation, taking into consideration the need to ensure sustainability, including in the projects involving the Centre on Human Rights and the Ombudsman's Office.

First country review report for Zimbabwe

224. The Officer-in-charge of the Regional Bureau for Africa introduced the first country review report for Zimbabwe (DP/CRR/ZIM/1). The review report covered the period 1997-99 and had been conducted by a team of independent experts in October 1999. He also referred in his remarks to the second CCF for Zimbabwe that had been approved by the Executive Board at the present session. During the period covered by the review, Zimbabwe had suffered from a declining macroeconomic condition and economic crisis as well as increasing poverty and increased HIV/AIDS infection. UNDP was found to have played a significant, critical role in macro-policy advocacy, mediation, facilitation, policy reform and funding. Some outputs had been adopted nationally as advocacy tools, including the national human development report and the land and drought-management policies.

225. The Deputy Resident Representative in Zimbabwe gave an overview of the findings of the country review report in the areas of development management, poverty reduction, environment management, HIV/AIDS, and support to the United Nations. The second CCF would further streamline programme activities begun during the time of the first CCF. Based on lessons learned, the new CCF would continue to focus on poverty reduction, development management, and cross-cutting themes, including gender and environment. The poverty-reduction area was the priority theme in Zimbabwe and would include social policy advocacy, community-support programmes, support for employment creation and HIV/AIDS. Through its work in the development management programme area, UNDP would continue to give strategic support to key policy reforms and processes, including advocacy for sound social and economic management, and strengthening the credibility and transparency of public global goods institutions and the policy leverage of stakeholders. An example was the support UNDP provided to Zimbabwe's National

Economic Consultative Forum, a consortium of government, civil society organizations and private sector representatives that work together to initiate and influence the national policy-making process. The Forum had recently introduced the idea of a national anti-corruption bill that was later presented to Parliament. UNDP would also continue to work with the government to refine and improve national execution modalities. UNDP would continue to support the government in implementation of its ratification of international environment conventions. It would also follow-up on the recommendation of the review terms to consider environment as a cross-cutting theme and mainstream environment in all programmes. The team had noted that UNDP had played a key role in advocacy against the spread of HIV/AIDS and had assisted in achieving the formation of a national policy for HIV/AIDS. There was effective collaboration among United Nations agencies in Zimbabwe in the area of HIV/AIDS through the United Nations country team. UNDP had been successful in coordinating the UNDAF in Zimbabwe and had also built a positive working relationship with the Bretton Woods institutions in Zimbabwe, especially the World Bank.

226. The Executive Board took note of the first country review reports for Cambodia (DP/CRR/CMB/1), Uzbekistan (DP/CRR/UZB/1), and Zimbabwe (DP/CRR/ZIM/1).

227. One delegation took the floor to express support for the extension of the regional cooperation framework for Latin America and for technical cooperation among developing countries, expressing the hope that the Executive Board would receive increased reporting on both subjects.

X. United Nations Development Fund for Women

228. The Associate Administrator took the floor at the opening of the item on the United Nations Development Fund for Women (UNIFEM) to emphasize the close collaboration between UNDP and UNIFEM both at headquarters and at the country level. There were a number of joint programmes and parallel activities between UNDP and UNIFEM. Gender equality was central to the core mandate of UNDP and cut across all thematic priorities. He clarified that UNDP ensured, through the work of the Gender in Development Programme of the Bureau for Development Policy that its own policies, programmes and operations reflected its strong commitment to gender equality and the empowerment of women. The internal process of mainstreaming gender in UNDP was not being outsourced to UNIFEM. Both UNIFEM and UNDP were working toward effective modalities that could maximize the results of their support to programme countries in several key areas. UNDP could benefit from the experience of UNIFEM in many ways, he added. The Associate Administrator recognized the significant results achieved by UNIFEM during its previous Strategy and Business Plan and the vision presented in the new Plan, submitted to the Executive Board at its present session. He also congratulated UNIFEM for the consistent growth of its resource base.

229. The Associate Administrator presented the document entitled UNIFEM execution of UNDP projects and programmes: A joint UNDP/UNIFEM position paper (DP/2000/CRP.7). He noted that the close association between UNIFEM and UNDP should be reinforced through operational modalities that would provide for the financial compensation of expert services provided by UNIFEM in support of

UNDP programmes at the country level. UNIFEM had experience in direct execution of its own programmes and had in recent years executed some projects of UNFPA and UNAIDS. There had been extensive consultations within UNDP on a proposal that would enable UNIFEM to execute UNDP programmes in areas of its comparative advantage and also to strengthen further collaboration between the two entities.

230. The Executive Director of UNIFEM introduced the UNIFEM Strategy and Business Plan for 2000-2003 (DP/2000/15 and Add.1). She thanked the Executive Board for its support and partnership and recognized those countries that had either increased or maintained their support to UNIFEM. In a powerpoint presentation, the Executive Director gave an overview of the focus of the work of UNIFEM under the new Strategy and Business Plan, noting that the primary objective of UNIFEM remained the same — to work for women's empowerment and gender equality as determined by the Beijing Platform of Action. UNIFEM would concentrate on combating feminized poverty and gender-based violence, on building partnerships with Governments and civil society, and on promoting women's leadership and decision-making. UNIFEM, as a small catalytic fund, would pursue five strategies that had worked under the last strategy and business plan: (a) building capacity and leadership in women's organizations; (b) using advocacy and leveraging political and financial support; (c) forging new partnerships; and (d) piloting new approaches and building an operational knowledge base.

231. The Executive Director reviewed the key results of the last plan, which included enhanced political will for the goals of UNIFEM, creation of new partnerships, development of new skills, mainstreaming of gender in the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF), increasing and leveraging of new resources, working for new and strengthened conference follow-up and greater use of information technology. She noted that the Fund's resources had grown to $24 million in 1999 and its resource base had diversified to include contributions from the private sector and foundations. A definite shift from small scale to larger, long-term projects had taken place, with the majority of UNIFEM projects now budgeted at around $200,000.

232. The new Strategy and Business Plan had incorporated lessons learned from the last Plan and included discussion of key factors, such as the United Nations reform agenda and the UNDP transition process, the five-year review of the Beijing Platform for Action and the five-year review of the World Summit on Social Development, as well as changes in the external and internal environment. Income projections for the years 2000 to 2003 included scenarios of a 10 per cent ($35.6 million in 2003) and 20 per cent ($50 million in 2003) increase in income. The request to become an executing agency of UNDP specifically concerned projects within the Fund's areas of comparative advantage, where no appropriate national entity exists and where the Fund could prove beneficial.

233. Speakers taking the floor praised UNIFEM for its successful outcomes resulting from the previous Strategy and Business Plan and welcomed the new Plan, in particular for incorporating lessons learned and adopting a results-based approach. Several speakers referred to UNIFEM as a centre of excellence for its innovative and catalytic programmes promoting women's political empowerment and gender equality. Support was expressed for the thematic areas and core strategies of the new Plan. Delegations highlighted the success of UNIFEM

activities in areas such as enhancing women's political participation, combating violence against women, strengthening the links between the outcomes of global conferences, its active role in inter-agency processes and successful collaboration and emphasis on building partnerships. The expanded and broadened financial base of UNIFEM and the move to larger-scale projects were also welcomed.

234. Particular note was taken of the Fund's assistance towards the participation of women representatives of non-governmental organizations from transition countries at the recent preparatory meeting of the Economic Commission for Europe for the review process of the Beijing Platform for Action. Several speakers expressed interest in the publication "Progress of the World's Women", especially regarding its indicators on women's economic activity, including those for the informal sector. One delegation noted that it would contribute financially to its production.

235. The further mainstreaming of gender was welcomed by many delegations, some of whom underlined the particular need to mainstream peace-building through the use of the common country assessment and the United Nations Development Assistance Framework. Some delegations requested information on how UNDP would mainstream gender following its internal reorganization. One speaker highlighted the growing interest in the development of accountability methods on gender mainstreaming. One delegation suggested greater cooperation between UNIFEM and the United Nations Drug Control Programme to combat the links between gender-based violence and narcotics trafficking.

236. Some speakers noted that problems remained, including the need to maximize programme impact and increase options and opportunities for women. One delegation emphasized that refining the objectives further would allow for a more accurate appraisal of the impact of the Fund's activities. Some speakers underlined the need for UNIFEM to focus its interventions within a limited portfolio to maximize the impact of its programmes. In referring to paragraph 23 (a) of DP/2000/15, several speakers noted that globalization could also benefit women by creating new economic markets and thus employment opportunities.

237. Many delegations expressed strong support for the inclusion of UNIFEM as an executing agency for UNDP projects, within the areas of its comparative advantage. Speakers requested information on the financial implications of the decision, as well as assurance that institutional relations between UNDP and UNIFEM would not be affected. It was also underlined that UNIFEM must maintain its identity, ability to form partnerships and capacity to innovate programmes and projects. One speaker also underlined the need for UNDP to give preference to national execution. Another delegation requested information on whether the General Assembly or Economic and Social Council needed to be consulted. Future country cooperation frameworks should include references to intended UNIFEM-executed projects.

238. The Associate Administrator thanked delegations for the strong support they expressed for the UNIFEM Strategy and Business Plan for 2000-2003. He hoped that financial support for the Fund would continue to grow. He informed the Executive Board that UNDP had obtained a legal opinion from the Office of Legal Affairs regarding the granting of executing agency status to UNIFEM for UNDP projects. Whether further review by the General Assembly or the Economic and Social Council was required would be confirmed.

239. The Assistant Administrator and Director of the Bureau for Development Policy stated that UNDP had its own gender mainstreaming policy as part of the implementation of the Business Plans 2000-2003. The Bureau for Development Policy had primary responsibility for implementing the policy. The Assistant Administrator noted that gender concerns were fully reflected in all policy work in environment and governance. She also emphasized that UNDP worked closely with UNIFEM at the inter-agency level. At the country level, gender mainstreaming took place through the network of gender advisers and United Nations Volunteers who were jointly funded by UNDP and UNIFEM. The network would be strengthened through the decentralization of the staff of the Bureau for Development Policy to the country level, some of whom would focus on gender. It was in the mandate of UNDP to support Governments in their efforts to overall poverty-reduction and -monitoring systems, within which gender would be a critical component gender-disaggregated data would be used. In this respect, UNDP relied on UNIFEM to provide inputs. While UNIFEM was not present in all programme countries, the UNDP resident representative in the context of resident coordinator led the country team in efforts to ensure mainstreaming and relied on UNIFEM to provide technical support.

240. The Executive Director of UNIFEM addressed the issues raised in the discussion. She stated that the indicators used in the CCA would be examined to ensure that they provided the baseline data needed to follow-up on conferences. She agreed that qualitative indicators must also be utilized. She explained that women must be assisted to take advantage of new opportunities and to overcome the challenges of globalization with efforts made to guarantee women's greater access to markets. She thanked the Board for its support for the granting of executing agency status to UNIFEM and took note of the concerns expressed. She underlined the positive synergies between UNDP and UNIFEM in sharing good practices in mainstreaming, sharing support to the resident coordinator system through gender advisers and enhanced activities with regard to the Convention on Elimination of All Discrimination against Women.

241. The Executive Board adopted the following decision:

2000/7. United Nations Development Fund for Women

The Executive Board

1. *Notes with appreciation* the results achieved by the United Nations Development Fund for Women in implementing the Strategy and Business Plan, 1997-1999, as contained in document DP/2000/15/Add.1;

2. *Recognizes* the significant progress made by the United Nations Development Fund for Women in becoming the centre of excellence within the operational activities for development of the United Nations system for innovative and catalytic programmes promoting women's empowerment and gender equality, in line with its mandate as contained in the General Assembly resolution 39/125;

3. *Reaffirms* the focus of the United Nations Development Fund for Women on strategic interventions in its areas of comparative advantage and within its three thematic priorities, and on supporting innovative and experimental activities in implementing the Strategy and Business Plan within the context of the Beijing

Platform for Action and of the follow-up to the five-year review of the Fourth World Conference on Women;

4. *Also reaffirms* the role of the United Nations Development Fund for Women in promoting gender-mainstreaming throughout operational activities for development of the United Nations system, in the context of the resident coordinator system and in particular within the common country assessment and United Nations Development Assistance Framework processes;

5. *Endorses* the programme focus, strategies and targets set out in the Strategy and Business Plan, 2000-2003, of the United Nations Development Fund for Women (DP/2000/15), taking into account the comments made by the Executive Board at its current session;

6. *Takes note with appreciation* of the conference room paper on UNIFEM execution of UNDP projects and programmes (DP/2000/CRP.7), prepared jointly by the two entities, and recommends that the Administrator include the United Nations Development Fund for Women among the organizations to which execution responsibility for United Nations Development Programme projects and programmes can be entrusted, with the understanding that such execution would be limited to cases in which the United Nations Development Fund for Women has a comparative advantage, where these programmes and projects cannot be executed by an appropriate national or regional entity, and where they are consistent with the strategies of the Fund set out in the Business Plan;

7. *Encourages* the United Nations Development Fund for Women to mobilize resources for its future activities from all available sources, including the private sector, and urges all Member States to contribute and to consider increasing their contributions to the United Nations Development Fund for Women.

6 April 2000

Closing remarks

242. The Secretary introduced the overview decision and invited the Board to review it carefully before adoption. She informed the Board that DP/2000/CRP.9, which contained an update to information presented in DP/2000/CRP.6 on funding commitments to UNDP, had been distributed. The Executive Board approved decision 2000/10 that contained an overview of decisions taken at the second regular session 2000.

243. The Associate Administrator gave closing remarks on behalf of the Administrator who had left to attend the meeting of the Administrative Committee on Coordination in Rome. He stated that the present session had been characterized by fruitful debates in the Board on a number of key subjects for UNDP. With regard to the funding commitments for UNDP, it was heartening to see the marked percentage increased by a number of important donors, signifying heightened confidence in the organization. The sincere expressions of concern and support elaborated by many speakers were also encouraging. Nevertheless, the Administrator shared the stark analysis of the current situation. The Administrator had stressed the critical need for urgent action and would be consulting further with the members of the Executive Board on the best way to secure the political will necessary. There had also been a good discussion on the role of UNDP in crisis and post-conflict situations. The views of the Executive Board would be taken carefully

into account in the coming months in connection with the informal consultations and enhanced dialogue to be held prior to submission of a formal report in January 2001. Careful note had also been taken of the comments on the evaluation of the relationship between UNDP and UNOPS, a subject that the Board would revert to in future sessions as the recommendations were implemented, taking into account the final deadline of the annual session 2001 for pending issues. UNDP was heartened by the strong support for the Strategy and Business Plan 2000-2003 of the United Nations Development Fund for Women (UNIFEM) and the recommendation that the Fund be entrusted with execution responsibility for UNDP projects. The Associate Administrator thanked the Bureau of the Board for its dedication and assistance in ensuring a consensus on the various issues before the Board, including those that were quite difficult to resolve. He wished to bid farewell to Ms. Barbro Elm of Sweden and Ms. Leena Pylvanainen of Finland, who would be moving to other duties after the present session.

244. On behalf of the Executive Director and the staff of UNFPA, the Deputy Executive Director (Programme) thanked the Executive Board for a very meaningful and productive session. She noted that the lasting impression of the second regular session 2000 would be the richness of the debate, the free and frank exchange of views and the keen sense of partnership that had characterized the dialogue between the Board and UNFPA. She stated that UNFPA greatly appreciated the positive and constructive tenor of the comments and the guidance given by the Board. The Fund was pleased that the Board had encouraged strengthening the participation of UNFPA in the design and execution of sector-wide approaches in accordance with the Fund's mandate and comparative advantage. UNFPA appreciated the Board's support for the Fund's commitment to and involvement in the Secretary-General's reform programme and the provisions of the triennial comprehensive review; the follow-up to international conferences; and humanitarian and disaster relief. The Deputy Executive Director emphasized that UNFPA would continue to work closely on those issues with its partners in UNDG and elsewhere.

245. She noted that for UNFPA the multi-year funding framework (MYFF) had been the centrepiece at the second regular session. She thanked the Executive Board for supporting the MYFF process and noted that UNFPA greatly appreciated the encouragement and advice the Board had provided. She underscored that the MYFF was an evolving instrument and an unfolding process. UNFPA still had a way to go in terms of refinement and implementation of the MYFF. In that regard, the Fund had a road map and recognized the key markers and signs on the road map, but there were some uncharted areas and UNFPA would be relying on strong support and guidance from the Executive Board as it embarked on that important and critical journey.

246. The Deputy Executive Director expressed the Fund's deep appreciation to all the countries that had announced their voluntary contributions and schedules of payments. She conveyed special thanks to those donors who had increased their contributions and to the many countries that had announced multi-year pledges. She thanked the delegates of Japan, Canada and Ireland for facilitating the negotiations on the decisions pertaining to UNFPA. She thanked the President for ably leading the Executive Board through a session that had considered several important and complex issues. On behalf of UNFPA, she bade farewell to the delegates from Finland and Sweden and wished them success in their new undertakings. She concluded by conveying her special thanks to the conference service officers, the

interpreters, and the secretariat, including UNDP colleagues and the staff of the UNFPA Executive Board Branch.

247. One delegation, on behalf of the Western European and Others Group, expressed deep gratitude to all the other Bureau members for their work during the session. The Group shared the view of the Associate Administrator that the dialogue had been fruitful during the present session. He noted that both organizations were still going through a difficult period in terms of their funding situations, and in the case of UNDP, its internal reform process. The Group was very interested in collaborating with the Secretariats on the functioning of those organizations, whose aim was to provide an optimal situation to meet the needs and requirements of programme countries.

248. The President thanked the Board members for their diligence on the important decisions taken during the session, in particular on the UNFPA multi-year funding framework. He also thanked his fellow Bureau members for their commitment to the work of the Board and their consistent willingness to negotiate difficult decisions. The Board would revert at future sessions to items taken up at the present session, including the UNDP financial situation and the role of UNDP special development situations, following informal consultations. He thanked the Secretariat, the staffs of UNDP, UNFPA, UNOPS and UNIFEM, as well as the conference officers, interpreters and all others who had helped to conclude a successful session.

249. The Executive Board concluded its work by adopting the following decision:

2000/10. Overview of decisions adopted by the Executive Board at its second regular session 2000

The Executive Board

Recalls that during the second regular session 2000, it:

Item 1: Organizational matters

Approved the agenda and work plan for its second regular session 2000 (DP/2000/L.2 and Rev.1) as orally amended;

Approved the report of the first regular session 2000 (DP/2000/9);

Agreed to the following schedule of sessions of the Executive Board in 2000 and 2001:

Annual session 2000:	13-23 June 2000 (Geneva)
Third regular session 2000:	25-29 September 2000*
First regular session 2001:	29 January-10 February 2001
Annual session 2001:	11-22 June 2001 (New York)
Second regular session 2001:	10-14 September 2001

** Subject to the approval of the Committee on Conferences*

Agreed to the work plan for the annual session 2000 of the Executive Board, contained in the annex to the present decision;

Took note of the Administrator's plan to pursue consultations with all partners to explore their individual interest in convening a ministerial-level meeting to address the current funding situation of the organization at the earliest appropriate date, taking into account all comments made during this session on that issue;

UNFPA segment

Item 2: UNFPA: sector-wide approaches

Adopted decision 2000/8 of 6 April 2000 on UNFPA and sector-wide approaches;

Item 3: UNFPA multi-year funding framework

Adopted decision 2000/9 of 7 April 2000 on the UNFPA multi-year funding framework, 2000-2003;

Item 4: Funding commitments to UNFPA

Took note of the report on funding commitments to UNFPA (DP/FPA/2000/CRP.4);

Joint UNDP/UNFPA segment

Item 5: Reports to the Economic and Social Council

Took note of the reports of the Administrator (DP/2000/11) and the Executive Director (DP/FPA/2000/7) to the Economic and Social Council and agreed to transmit them to the Economic and Social Council with comments made thereon;

Decided to transmit Executive Board decision 99/20 on the United Nations Revolving Fund for Natural Resources Exploration to the Economic and Social Council;

UNDP segment

Item 6: Business plans

Took note of the report: Meeting the challenge: the role of UNDP in crisis, post-conflict and recovery situations, 2000-2003 (DP/2000/18) and invited the Administrator to present to the Executive Board, at its first regular session 2001, a document that further elaborates on the specific role of the United Nations Development Programme in special development situations and to present concrete plans for its further implementation after a full and wide-ranging consultation process;

Took note of the executive summary of the evaluation: "Sharing new ground in post-conflict situations: the role of UNDP in reintegration programmes" (DP/2000/14);

Item 7: Funding commitments to UNDP

Took note of the oral report on the emerging results of the multi-year funding framework;

Took note of the report on regular funding commitments to the United Nations Development Programme and its associated funds and programmes for 2000 and onwards (DP/2000/CRP.6 and DP/2000/CRP.9 and Rev.1);

Item 8: Evaluation of relationship between UNOPS and UNDP

Took note of the executive summary of the evaluation of the relationship between the United Nations Office for Project Services and the United Nations Development Programme (DP/2000/13) and the note on the evaluation of relationship between UNOPS and UNDP: a joint review of the recommendations (DP/2000/CRP.8) and decided to revert to this item at its annual session 2001;

Item 9: Country cooperation frameworks and related matters

Authorized the Administrator to approve assistance to the Republic of the Congo on a project-by-project basis for 2000-2001;

Authorized the Administrator to approve assistance for Afghanistan on a project-by-project basis for the period 2000-2003;

Took note of the report on earmarkings for the target for resource assignments from the core for 2000-2003 (DP/2000/17);

Took note of the following extensions of country and regional cooperation frameworks:

First extension of the cooperation framework for for technical cooperation developing countries	DP/CF/TCDC/1/EXTENSION I
First extension of the first country cooperation framework for Anguilla	DP/CCF/ANL/1/EXTENSION I
First extension of the first country cooperation framework for Barbados	DP/CCF/BAR/1/EXTENSION I
First extension of the first country cooperation framework for the British Virgin Islands	DP/CCF/BVI/1/EXTENSION I

First extension of the first country cooperation framework for Dominica	DP/CCF/DMI/1/ EXTENSION
First extension of the first country cooperation framework for Grenada	DP/CCF/GRN/1/ EXTENSION
First extension of the first country cooperation framework for Guyana	DP/CCF/GUY/1/ EXTENSION I
First extension of the first country cooperation framework for Saint Lucia	DP/CCF/STL/1/ EXTENSION I
First extension of the first country cooperation framework for Saint Vincent and the Grenadines	DP/CCF/STV/1/ EXTENSION I
First extension of the first regional cooperation framework for Latin America	DP/RCF/RLA/1/ EXTENSION I

Approved the following country cooperation frameworks:

Second country cooperation framework for Kazakhstan	DP/CCF/KAZ/2
Second country cooperation framework for Kyrgyzstan	DP/CCF/KYR/2 and Corr.1
Second country cooperation framework for Zimbabwe	DP/CCF/ZIM/2

Took note of the following country reviews:

First country review report for Cambodia	DP/CRR/CMB/1
First country review report for Uzbekistan	DP/CRR/UZB/1
First country review report for Zimbabwe	DP/CRR/ZIM/1

Item 10: United Nations Development Fund For Women

Adopted decision 2000/7 of 6 April 2000 on the United Nations Development Fund for Women: Strategy and Business Plan, 2000-2003;

7 April 2000

Tentative work plan

Executive Board of UNDP/UNFPA

Annual session 2000, Geneva

(13 to 23 June 2000)

Day/Date	*Time*	*Item*	*Subject*
TUESDAY 13 JUNE	**AM**	1	Organizational matters: Adoption of the agenda and agreement on the work plan
			UNFPA segment
		2	Report of the Executive Director for 1999
	PM		*UNFPA SPECIAL EVENT*
			Panel discussion: Adolescent Reproductive Health
WEDNESDAY 14 JUNE	**AM**	2	Report of the Executive Director for 1999 (continued)
		3	ICPD+5
	PM	7	Emergency assistance
THURSDAY 15 JUNE	**AM**	6	UNFPA programming process
	PM	4	Evaluation
FRIDAY 16 JUNE	**AM**	5	Information and communication
			Pending decisions
	PM		*UNDP/UNFPA joint segment*
		8	Internal audit and oversight
		14	*Other matters: UNAIDS*
MONDAY 19 JUNE	**AM**		*UNDP segment*
		9	Annual report of the Administrator for 1999, including the results-oriented annual report (ROAR)
	PM	9	Annual report of the Administrator for 1999, including the ROAR (continued)
TUESDAY 20 JUNE	**AM**	9	Annual report of the Administrator for 1999, including ROAR (continued)
		10	Communication and advocacy strategy
	PM	11	United Nations Volunteers
WEDNESDAY 21 JUNE	**AM**	12	Country cooperation frameworks and related matters
	PM		*UNDP SPECIAL EVENT*
			Debate on the future of United Nations operational activities for development
			(*timing tentative*)

Day/Date	*Time*	*Item*	*Subject*
THURSDAY **22 JUNE**	**AM**	13	United Nations Office for Project Services – Annual report of the Executive Director – Responsibility of UNOPS for personnel matters (dec. 99/17)
	PM	13	United Nations Office for Project Services (continued)
	EVENING		*Informal meeting with NGOs/CSOs*
FRIDAY **23 JUNE**	**AM**	1	Organizational matters
	PM		Pending decisions

Annex

Executive Board of UNDP and UNFPA

Second regular session 2000
Funding commitments to UNDP

Statements by delegations

1. The representative of *Australia* informed the Board that firm pledges could not yet be announced for 2000. The regular contribution to UNDP was likely to remain at the 1999 level of 6.8 million Australian dollars. The final contribution would be announced in May 2000 and paid in July 2000. While the total pledges for 2000 to the UNDP regular budget were less than the target of $800 million, the trend to increase or maintain contributions in local currencies at a time when official development assistance levels remained static was a cause for optimism. Reform in UNDP was another cause of optimism. His delegation encouraged the Administrator and his staff to continue to increase the efficiency of UNDP, including through the MYFF. Australia had contributed 360,000 Australian dollars in 2000 to UNIFEM, which was paid in February 2000.

2. The representative of *Austria* underlined the serious nature of the current funding situation of UNDP. However, if UNDP continued its reform process, then perhaps in the coming year the Administrator would not need to present proposals to terminate the current funding system. Austria fully supported the work of UNDP in development cooperation. Regret was expressed over the fact that in Austria it was becoming difficult to market UNDP to politicians and to explain the work of UNDP. Furthermore, Austria had financial constraints and had to fulfil its financial obligations to the European Union. The country's regular contribution to UNDP in 2000 would be 73.6 million Austrian Shillings. A contribution of $10 0000 would be made for the launch of the Global Energy Forum. Contributions of $60 000, $50 000, and 600 000 Austrian Shillings would be made for UNIFEM, UNV, and UNCDF, respectively. The Administrator's proposal for a ministerial meeting on UNDP financing needed further study. His delegation agreed with the Swiss proposal to utilize bilateral visits to stress the importance of multilateral development cooperation.

3. The representative of *Bangladesh* announced a pledge of $400 000 to UNDP for 2000, a 33 per cent increase from 1999. That increase would be maintained in 2001-2002. The payment of government contributions towards lost office costs (GLOC) would amount to 1.1 million Bangladesh taka. Contributions of $3 500, $1 000, and $1 000 would be made to UNCDF, UNV and UNIFEM, respectively.

4. The representative of *Belgium* stated that a pledge for the regular contribution to UNDP in 2000 could not yet be announced as discussions were still underway. However, his Government intended to remain a member of the $1.00/per capita "club". Contributions of 500 000 euros, 2.5 million euros, and 1.25 million euros to UNIFEM, UNV, and UNCDF respectively, would be made for 2000-2002. Payment would be made in the first part of the second quarter of 2000.

5. The representative of *Bulgaria* underlined that regular contributions were the primary funding source for UNDP, with non-core as a supplement. The MYFF had

been designed to generate a more dramatic dialogue through multi-year pledges. Overdependence on a few donors created risks for the long-term financial sustainability of UNDP. It was hoped that the downward trend in core resources would soon be reversed. Bulgaria would make a core contribution of $20 000 and $75 000 in government local office costs in 2000.

6. The representative of *Canada* noted that the Administrator's proposals would be considered. Canada was unable to announce pledges for 2000 owing to a delay in the procedure for allocating resources. Contributions would be at levels equal to that of recent years and would be confirmed soon. The full amount would be paid as soon as confirmed. An additional contribution to the implementation of the Administrator's Business Plans 2000-2003 would be made in the amount of 500 000 Canadian dollars.

7. The representative of *China* stated that his government recognized the importance of UNDP in development assistance and had supported the efforts of UNDP to implement reform measures. Donors should increase their core contributions to UNDP in order to demonstrate support for the Administrator's reform programmes and restore confidence in the organization. China would contribute $3.15 million to UNDP in 2000, which included $150 000 devoted to programmes for technical cooperation among developing countries (TCDC). Pledges for 2001 and 2002 could not yet be announced. A pledge of 2.5 million Yuan for GLOC was also announced. China would contribute $30 000, $30 000 and $20 000 to UNV, UNCDF and UNIFEM, respectively.

8. The representative of the *Czech Republic* announced contributions to UNDP regular resources equivalent to $236 000, $270 000 and $284 000 for 2000, 2001 and 2002, respectively. Those figures were indicative and subject to parliamentary approval. The regular contribution to UNDP reflected an almost 30 per cent increase, which would be 14 per cent higher in 2001. Payment would be made by the end of April 2000. The increase came in appreciation of the work of UNDP in the Czech Republic and in light of reform measures undertaken. The Czech Republic was committed to multilateral cooperation and to the role of UNDP. A contribution of 1.25 million Czech Koruny, or $34 000 to UNV for 2000 reflected a 25 per cent increase over 1999, an amount that would be maintained in the future. Payment would be made by the end of September 2000. The representative expressed her delegation's full support to the Administrator and to the successful implementation of the MYFF.

9. The representative of *Denmark* underlined that regular contributions were the bedrock of UNDP funding, adding that the downward trend must be reversed. The proposal for a new funding system deserved serious consideration as it could put UNDP on a more solid financial basis and diminish the dependence of the organization on a limited number of donors. The proposal for a ministerial meeting would be explored further. Strengthened policy focus was the key to delivering services at the country level. In 2000, Denmark would contribute 420 million Danish kroner, the same level as in 1999 (equivalent to about $55 million). It would be paid in two equal instalments. Contributions of 55 million Danish kroner to UNCDF (about $7 million) and 3 million Danish kroner to UNIFEM would also be made. Pledges for 2001 and 2002 could not yet be announced. The representative noted that the Danish development strategy for development cooperation was currently under review.

10. The representative of *Estonia* announced an estimated total government allocation of $1.2 million to UNDP in 2000. The division between regular and GLOC contributions would be decided. She noted that the UNDP country office in Estonia would be closed at the end of 2000.

11. The representative of *France* announced a contribution of 500 000 French francs to UNV and 8 million French francs to UNCDF. A contribution of 500 000 French francs to UNIFEM was the first in four years. A regular contribution of 100 million French francs would be made to UNDP in 2000, an increase of 25 per cent over 1999. Close examination of the results of the pledges to UNDP for 2000 revealed a less pessimistic situation than that implied in current discussion. The representative noted that the level of regular funding was comparable to that announced at the same time last year, taking into account the strong United States dollar. Only a few countries had announced a reduction in their contribution, which did not represent a disengagement or lowering of overall political will. It was also necessary to keep in mind that the first MYFF had only been adopted in September 1999. The first results-oriented annual report would be presented in June 2000. At present it was too early to speak of the demise of the MYFF. France could not yet take a position on the proposals of the Administrator. The representative noted that the IDA-type funding arrangement was not a new proposal. It had been discussed in theOpen-ended Ad Hoc Working Group on Funding in 1998 and had not been supported by a large number of donor and programme countries. His delegation was, however, open to political dialogue and discussion on the future of UNDP.

12. The representative of *Ghana* expressed concern over the current funding situation, particularly because programmes would be negatively affected. A further 10 per cent reduction in the core budget would present additional difficulties. She underlined that non-core contributions should not be a substitute for core contributions. Ghana's contribution would be 25 per cent more than in 1999 and 20 per cent more in 2001-2002. A contribution to UNIFEM would be maintained for 2000-2002. The Administrator's proposals would be considered carefully.

13. The Secretary of the Department of Economic Affairs of the Government of *India*, underlined that promoting of development and supporting the national development efforts of developing countries, was the touchstone on which his country would judge the efficiency and effectiveness of the entire United Nations system. The ability of UNDP to make a difference in the lives of millions of people in developing countries had to be the primary purpose of multilateralism. Within its constraints, India had been making substantial contributions to the core resources of a number of United Nations entities, including UNDP and its associated funds and programmes. It was necessary that the work of UNDP be better known in the decision-making circles of the major donor countries, since those decisions were made primarily in light of domestic considerations. No system of funding would alter that fundamental premise. Change would only occur when those nations genuinely perceived that it was in their interest to contribute to multilateral development cooperation conducted under the aegis of the United Nations. Political will was lacking, a factor that could not be easily countered by modifications in the pledging system. He noted that a primary advantage of United Nations operational activities was their multilateral, universal, country-driven, neutral and impartial nature, truly representing the only form of financing that respected the national development priorities of recipient countries, a factor that must not be altered in any new contributions system. His delegation, therefore, had some reservations about the

possible negative impact of the IDA-type negotiated system of contributions. It was too early to write the epitaph of the MYFF, he noted. Contributions by India to UNDP, UNIFEM and UNV were announced at the last Pledging Conference of the General Assembly in November 1999, with payments to be made as early as possible.

14. The representative of *Ireland* called the Administrator's message pragmatic, realistic and clear. It was a message that should be heeded, in his government's view, in the present situation. Ireland had once again increased its regular contribution to UNDP in 2000 by 35 per cent. Payment would be made in full by the end of April 2000. Ireland was also raising its contributions to UNIFEM and UNV and would contribute to UNCDF in 2000 for the first time. He noted that 2000 marked the twelfth annual increase to UNDP in 13 years. The reasons were commitments: (a) to development; (b) to reaching the gross national product target of 0.7 per cent for development assistance; and (c) to multilateralism and to UNDP. Having been at the forefront of change through the United Nations Development Assistance Framework, the resident coordinator system, change management and the Business Plans 2000-2003, UNDP was now implementing its first MYFF, thereby securing its position as a results-based organization. Those efforts deserved assistance. Ireland called on others, who had not recognized its role to support UNDP and to ensure its survival. Signs of renewed faith could now be seen, he noted, although some donors were decreasing their contributions as a result of internal processes. It was essential that UNDP be allowed to remain a vibrant development arm of the United Nations, with core resources remaining the bedrock. UNDP had done its part through the MYFF process.

15. The representative of the *Islamic Republic of Iran* announced a regular contribution to UNDP of $10 000 for 2000, subject to parliamentary approval. A strong UNDP would facilitate poverty reduction.

16. The representative of *Italy* announced an increase of 26 billion Italian lire in the country's regular contribution to UNDP in 2000, amounting to a difference of some 20 per cent over 1999, which would be paid by July 2000. An announcement for 2001 and 2002 could not yet be made. Italy would also increase its contribution to UNIFEM to 7 billion Italian lire, an increase of 20 per cent over 1999, in recognition of the importance of its work. A contribution of 2.3 billion Italian lire to UNV represented an 8 per cent increase over 1999. The Italian government was strengthening its commitments as part of an overall expansion of official development assistance. The importance of extrabudgetary resources was also recognized, particularly with regard to emergencies and natural disasters, in which the Italian government was also directly involved. The representative noted the efforts of UNDP to bring about progress, especially through greater focus and impact on beneficiaries. The donor base could be broadened through greater involvement of the private sector.

17. The Deputy Permanent Representative of *Japan* expressed appreciation for the statement of the Administrator and for his implementation of the Business Plans 2000-2003. The Administrator's work to form a consensus on the Business Plans 2000-2003 through dialogue among donors and programme countries was highly commendable. Strong relationships with both donors and programme countries were essential in the Administrator's task to make UNDP a viable development organization in the 21st century. UNDP must prove to donors that it would be able to

make the most of its contributions and to programme countries that it would remain a viable source of development assistance. He underlined that it was important for the Administrator to maintain a tight grip on country-level activities and to maintain a strong link between policy formulation and operations at the field level. He cited that the key comparative advantage of UNDP was its role as the most active operational organization at the country level. Lessons learned at the country level need to be applied to the upstream policy framework. It was important for UNDP to cooperate with other organizations to fill in the "gap" in the early stages of the move from emergency to development. The efforts of UNDP to strengthen partnerships within the United Nations system, with regional organizations and with the Bretton Woods institutions were welcomed. Multi-bi cooperation must be promoted, he underlined. The Administrator was encouraged to continue to focusing on human-security issues, such as poverty, environmental degradation and HIV/AIDS. A contribution of $100 million to UNDP regular funding was confirmed for the fiscal year 2000, a 25 per cent increase over fiscal year 1999. Japan would also contribute $1.416 million to UNIFEM, $2.933 million to UNV and $1 million to UNCDF. Owing to government regulations, Japan would be unable to make commitments for future fiscal years at the present stage. Contributions were being made despite the severe financial difficulties Japan faced. His government was convinced that UNDP should play a key role in assisting developing countries and hoped that the Administrator would take quick action to meet the needs of those countries. UNDP needed the support of all to remain a viable instrument. He hoped his statement would encourage other contributions.

18. The Permanent Representative of *Kyrgyzstan* to the United Nations thanked the Administrator for his statement, noting that he had demonstrated clear ways to resolve the problems faced by UNDP in terms of funding commitments. The reforms made by the management of UNDP were of high importance. Her country was grateful for the assistance provided by UNDP since independence, particularly with regard to the efforts made to help construct a democratic society. Kyrgyzstan was facing very difficult times with a slowing of economic growth and with funds being absorbed by unanticipated military activity. Nevertheless, the country would allocate $5 000 to UNDP in a core contribution for 2000.

19. The representative of *Mexico* underlined the importance of United Nations programmes devoted to operational activities. His government would maintain its voluntary contribution of $1 million to UNDP regular resources in 2000, despite budgetary constraints. Mexico would contribute $10 000 to UNIFEM in 2000.

20. The representative of the *Netherlands* announced that a regular contribution of 155 Dutch guilders (equivalent to about US $68 million) would be made to UNDP in 2000, the same level as in 1999. He noted that in 1999 the Dutch contribution had amounted to more than 10 per cent of the total regular resources of UNDP. It would have been optimal for underperforming donors to have increased their regular contributions to UNDP. Those donors who supported reform should also support UNDP as it begins to focus on a small number of strategic areas where a real difference could be made and undertakes internal reform measures. His government was interested in the ministerial meeting proposed by the Administrator. It was difficult at the present time to give an indication of the contribution of the Dutch government in the future. If reform was successful and underperforming donors would contribute, then the Dutch contribution could increase. He hoped that all donors would translate their political support into financial contributions

proportional to their financial means. A contribution to UNCDF of 15 million Dutch guilders (around $7 million), representing some 25 per cent of the regular income of the Fund, would be made in 2000. Contributions of 6.4 million Dutch guilders (around $2.8 million) to UNIFEM and 750000 Dutch guilders (around $350 000) to UNV, would also be made in 2000.

21. The representative of *New Zealand* stated that 4.6 million New Zealand dollars had been paid in a UNDP regular contribution for 2000 in February 2000. Contributions to UNIFEM would amount to 300 000 New Zealand dollars, and to UNCDF, 350 000 New Zealand dollars. The contribution to UNDP represented a 22 per cent increase in local currency. New Zealand supported results-based management through the MYFF process. All contributions depended on parliamentary approval. Contributions in 2001 and 2002 would be the same as those for 2000 in New Zealand dollar terms. His country would ensure that annual payments were made as early as possible. The proposals of the Administrator regarding the ministerial meeting and the IDA-style funding system would be considered. It was hoped that the gap between reform and funding would soon be filled. New Zealand continued to support UNDP and its associated funds.

22. The representative of *Norway* stated that any proposal to raise the international commitments to UNDP would be considered positively, but the delegation was not yet prepared to respond formally to the proposals made by the Administrator that morning. The idea of negotiated contributions, however, was very much in line with the position of the Norwegian Government. Despite the hope for a turnaround in the second pledging meeting and the adoption of the MYFF, the funding situation had not yet improved. Changes in exchange rates should not mask the fact that some donors and programme countries increased their contributions in local currencies. There were thus reasons for optimism. It was possible that the low funding levels were actually impeding reform. Norway supported the role of UNDP in the United Nations system and planned to continue its support to the organization. Pledges for 2001 and 2002 could not yet be announced. For 2000, Norway would contribute 560 million Norwegian kroner, an increase of 10 million kroner over 1999. Contributions of 29 million Norwegian kroner to UNCDF and 16 million Norwegian kroner to UNIFEM were also pledged. Payment to UNDP would be made quarterly, in January and July 2000 to UNCDF and during the first half of the year to UNIFEM.

23. The representative of *Portugal* announced that it would maintain its contribution of $1.6 million to UNDP regular resources in 2000. A contribution of $20 000 was pledged to UNIFEM for 2000. A contribution to UNV would be announced at a later date. Portugal was not in a position to announce its contributions for future years at the present time.

24. The representative of the *Republic of Korea* underlined that the success of the MYFF lay in the linkage between funding and results. Owing to domestic procedures, his government could not make a concrete pledge for 2000 at the present session. His government would try to contribute the same amount as in 1999 during the second half of 2000. The same level of contribution as in 1999 would be maintained to UNV, UNCDF, and UNIFEM. Contributions for 2001 and 2002 could not yet be announced.

25. The representative of *Romania* emphasized the positive work of UNDP in development. His government reaffirmed its continued commitment to United Nations system operational activities. Despite budgetary restrictions, Romania

would contribute the equivalent of approximately $110 000 as regular contribution and in government local-office costs in the second half of 2000. The contribution represented an increase over the 1999 level.

26. The representative of *Spain* announced that its contribution would be confirmed once the new government was in place. He noted the large increase made by Spain in its 1999 contribution and stated that in 2000 the amount would be 840 million pesetas. His government hoped that the Administrator would pay an official visit to Spain in the near future.

27. The representative of *Sweden* stated that in April 1999 there had been great hope that UNDP would break the downward trend in its funding cycle. It was now evident that expectations would not be met. The Administrator had called it a crisis, and noted that the present system of contributions might need to be terminated. The funding level for UNDP for 2000 was on the same level as in 1999. It was particularly regrettable that some donors had decreased their contributions significantly, demonstrating the vulnerability of the system to the actions of individual donors. Currency fluctuations provided an additional risk. She noted that the speedy and timely payment of pledges on a fixed date, such as 31 March, could help to diminish concerns raised by those fluctuations. It was encouraging that so many countries had pledged increases, including programme countries. The proposal for IDA-type arrangements would facilitate pledging for donors and ensure greater transparency and predictability. That type of arrangement, adapted to the realities of the United Nations system, had been favoured by Sweden for a long time and should be considered. The proposal for a ministerial meeting would be taken into consideration, although no firm views could be expressed at the present time. It was essential to raise a collective political commitment to UNDP. In spite of budgetary constraints Sweden would increase its contribution to UNDP for 2000, by an amount equivalent in local currency to more than $1 million. Unfortunately, owing to currency fluctuations, the increase was not readily visible. The regular contribution to UNDP for 2000 would be 500 million Swedish kroner, equivalent to about $57 million at current exchange rates, to be paid in January and September 2000. Although subject to parliamentary approval, Sweden intended to contribute the same amount in 2001 and 2002. The contribution should be seen as a preliminary multi-year commitment. If an overall process toward greater political commitment was achieved, Sweden would be prepared to engage in that process which would be reflected in its pledges for the coming years. Sweden would contribute 10 million Swedish kroner to UNIFEM, a 25 per cent increase over 1999, and 42 million Swedish kroner to UNCDF, the same level as in 1999.

28. The representative of *Switzerland* emphasized that it had been a reliable supporter of UNDP for many years. The high level of contribution came in response to the role of UNDP in coordination efforts, in advisory functions and as a universal presence. His government shared the concerns of the Administrator, especially regarding funding in the short run. With regard to funding, UNDP had a handicap as compared with other multilateral organizations, such as IDA and regional banks. The representative, however, he was unsure if an IDA-like replenishment system would be accepted for UNDP. The proposal for a ministerial meeting needed further study. Other venues for discussion should be pursued, such as during the OECD/DAC meetings and the World Bank annual meetings. Programme countries could also use the opportunity of donor visits to discuss multilateral contributions. It was important to look at the big picture regarding contributions to UNDP, and to

note that many donors increased or maintained their contributions. The Swiss contribution would be confirmed in the coming weeks. Contributions to UNIFEM and UNV would be maintained at 1999 levels. Its contribution should be examined in light of heavy budgetary constraints and compared with that of other donors.

29. The representative of *Ukraine* announced a regular contribution of $30 000 to UNDP for 2000. The funds would be allocated as early as possible.

30. The representative of the *United Kingdom* stated that his government would work to help the United Nations play a key role in poverty eradication and sustainable development. UNDP had an important role to play in the four major areas noted in the Business Plans 2000-2003. Results-based management through the MYFF process should demonstrate UNDP strengths and weaknesses in particular areas and countries. The Executive Board could thus take decisions on emerging strengths. UNDP should not operate in all sectors in all countries or where it did not have a comparative advantage. In 1999, his Government had announced an increase to 35 million pounds annually for regular contributions to UNDP in 2000 and 2001. In 2000, to demonstrate its support, his Government announced that it would maintain that level in 2002. An increased contribution to 2 million pounds to UNIFEM was also announced for 2000-2001, representing a doubling of the 1999 level.

31. The Deputy Permanent Representative of the *United States* underlined the continued commitment to reform in UNDP. Unfortunately, the parties who made the funding decisions for her Government were not in the room and there was a resultant gap between budgeting and UNDP. It was discouraging that decision-makers did not have confidence in the organization. The Administrator's statement must be translated into practical actions by UNDP at the country level, especially in the area of crisis and post-conflict situations. The reduction of headquarters staff demonstrated the seriousness of the Administrator's intentions. In 2000, the United States would contribute $80 million, an amount that was in the process of being paid. It was regretted that the amount was not higher in light of the achievements of UNDP. The decision had been made two years earlier and should not be seen as indicative of the views of the United States regarding UNDP. The President's budget request for 2001 included $90 million in a regular contribution for UNDP. A contribution of $1 million would be made to UNIFEM in 2000 and 2001, in recognition of its positive role and expansion through its relationship with UNDP.

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Internal audit and oversight

Internal audit and oversight activities

Report of the Administrator

Summary

The present report is submitted pursuant to the arrangements agreed upon by the Executive Board. The report provides details of internal audit and oversight services provided by the UNDP Office of Audit and Performance Review for the year ended 31 December 1999.

A recommendation for Executive Board action is contained in chapter V.

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Introduction

1. The Administrator is pleased to provide the Executive Board with the fourth annual report on internal audit and oversight services provided by the UNDP Office of Audit and Performance Review (OAPR) for the year ended 31 December 1999.

2. In addition to those provided to UNDP, OAPR also provides internal audit and oversight services to the United Nations Office for Project Services (UNOPS) and to the United Nations Population Fund (UNFPA). Sections of the report relating to the accountability framework, organization and resources, and quality service initiatives apply equally to all three organizations. However, detailed discussions of the internal audit and oversight activities carried out on behalf of UNOPS and UNFPA are included as separate reports, which are being submitted to the Executive Board at its present session by the Executive Director, UNOPS (DP/2000/28/Add.2) and the Executive Director, UNFPA (DP/FPA/2000/13).

I. Accountability framework

3. The Administrator continues to foster an improved culture of accountability in the organization, which helps to ensure that UNDP business is carried out economically, efficiently and effectively. Moreover, such a culture ensures that managers apply and conscientiously follow best management standards and that staff members at all levels are held accountable for their performance and resource utilization.

4. In order to nurture and achieve a higher level of accountability, UNDP, as discussed in document DP/1996/35, proposed a new accountability framework, which was supported by the Executive Board in its decision 96/36. OAPR was assigned responsibility for coordinating the implementation and oversight of the accountability framework.

5. With start-up funding assistance from members of the Executive Board, implementation of the accountability framework began in 1998, through a process of control self-assessment (CSA). The CSA process includes workshops (conducted by trained facilitators), workshop reports (prepared by the facilitators), and action plans (developed by the workshop participants). Workshop participants include teams of co-workers working to achieve common objectives. A key feature of the workshops is the use of voting technology to record responses anonymously to a set of statements designed to assess the team's likelihood of achieving its objectives. Using UNDP staff members as facilitators, 33 CSA workshops were conducted in 1999, of which 22 were in country offices.

6. CSA has been well received and has attracted strong interest, with workshops now scheduled through October 2000. A key benefit of CSA is that managers find it helpful in detecting issues before they become critical. Requests for CSA sessions continue to outstrip available resources in terms of trained facilitators and funds for travel. Many country offices have defrayed the travel costs of the facilitators by paying from their own administrative budgets.

7. In addition to CSA, another initiative will help UNDP achieve a higher level of accountability — the creation, in early 2000, of the Oversight Group. As described in UNDP Business Plans, 2000-2003 (DP/2000/8), the Oversight Group is a mechanism, led by the Associate Administrator, which will coordinate and maximize the distinctive oversight roles of the Operations Support Group (OSG) and the Evaluation Office with the role of OAPR. With the participation of the heads of OSG, OAPR and the Evaluation Office, work is already under way to identify the operational implications of the Group and establish a working mechanism. This effort will lead to specific terms of reference.

II. Organization and resources

8. At headquarters, OAPR is organized into the Office of the Director and five sections: Internal Audit Services; Management Review and Analysis Services; National Execution Audit Services; UNFPA Audit Services; and UNOPS Audit Services. In addition, OAPR has three regional audit service centres (RASCs), in Malaysia, Panama and Zimbabwe. As at 31 December 1999, OAPR had 45 authorized posts (see table 1 below).

Table 1

Authorized posts as of 31 December 1999

	Total	*Director*	*Chiefs*	*Auditors*	*Audit Assistants*	*Support*
Office of the Director	3	1				2
Internal Audit Section	7		1	5		1
Management Review and Analysis Section	5		1	1	3	
National Execution	5		1	2	2	
Regional Audit Service Centre — Malaysia	4		1	2		1
Regional Audit Service Centre — Panama	4		1	2		1
Regional Audit Service Centre — Zimbabwe	6		1	3	1	1
	34	**1**	**6**	**15**	**6**	**6**
UNFPA Audit Section	4		1	2	1	
UNOPS Audit Section	7		1	4	1	1
	45	**1**	**8**	**21**	**8**	**7**

9. In 1999 the number of vacant posts was reduced from 13 at the beginning of the year to 6 at the end of the year; by early 2000, candidates were found to fill 3 of the vacant posts.

10. In addition to internal staff resources, OAPR again contracted with public accounting firms to conduct audits of country office operations. In 1999, with the opening of the third RASC in Panama, this approach was extended to country offices in Latin America and the Caribbean. In 1999 the only region not covered by contracted firms was Europe and the Commonwealth of Independent States.

11. As stated in the annual report for 1998, a fourth RASC had been planned for the end of 1999 and in 2000 the regime of contracted audits was to have been extended to Europe and the Commonwealth of Independent States. These two actions would have provided for contracted audits of country offices every two years and support to all country offices from regional audit service centres. However, resulting from the budget strategy for the biennium 2000-2001, a number of measures have been taken to reduce overall expenditures while still providing acceptable levels of audit services. These measures include postponing indefinitely the opening of the fourth regional audit service centre, reducing the frequency of contracted audits from once every two years, on average, to once every four years, and merging the National Execution and Audit Section with the Internal Audit Section. The merger of the two sections will result in the abolishment of one post.

12. So as to improve the overall effectiveness of oversight operations, two other structural changes have been chosen. The first is the transfer of two of the four remaining posts of the National Execution and Audit Section to the Operations Support Group (OSG), effective 1 March 2000. Given the reduced level of resources in the former National Execution and Audit Section, from five posts to two, OAPR will no longer conduct separate national execution audit missions. The coverage previously provided by these missions will be mainstreamed into the scope of the management audits of country offices. The activities of the former National Execution and Audit Section relating to the planning and assessment of audit reports will remain with OAPR and will be the responsibility of the merged Internal Audit Section. The second structural change is the shift away from contracted audits effective 2000 in two regions, Latin America and the

Caribbean and Africa, owing to the unsatisfactory performance of the contractors. The resources that had been used to contract with firms will instead be used for three-year contracts activities of limited duration (ALD) with individual auditors. As the experience with contractors in the Asia and the Pacific and the Arab States regions has been satisfactory, the use of contractors will continue there with a reduced scope. Three-year ALD contracts with individual auditors will also be used to provide audit coverage for Europe and the Commonwealth of Independent States.

III. Quality service initiatives

13. To improve further the quality and effectiveness of audits, OAPR has recently undertaken projects to revise OAPR audit methodology, to research the use of electronic working papers and to document the learning, training, and development needs of auditors based on the OAPR new competency-based framework.

14. Another key initiative, introduced near the end of 1999, is a system for tracking and monitoring audit reports and recommendations. This new system, referred to as the Comprehensive Audit and Recommendations Database System (CARDS), is a web-based system that will be accessed by UNDP staff all over the world. It will be used by country offices to update the implementation status of recommendations, by headquarters to monitor the implementation status of recommendations and to track the issuance of audit reports, and by OAPR to maintain statistics, to monitor the implementation of recommendations and to track corporate issues identified in audit reports.

IV. Internal audit and oversight services

A. General

15. Table 2 shows that OAPR output for 1999 comprised 168 audit, investigation and related reports. In addition, 33 CSA workshops were held; the results of 1,231 national execution audit reports were evaluated; and feedback was provided to country offices.

B. Internal audits of headquarters and corporate functions

16. In 1999, OAPR conducted audits/reviews of headquarters units and corporate functions. A total of six reports were issued, containing 118 recommendations. Of these, 101 (86 per cent) were accepted by the auditees and have been or are being implemented. OAPR is following up on the rest. Two of the six reports included the special audits of change-management expenditures and information-systems expenditures prepared at the request of the Advisory Committee on Administrative and Budgetary Questions. Of the remaining four reports, two were audits/reviews of headquarter units and two were audits of corporate functions. Brief summaries of the findings of the functional audits and of a review of a direct execution project (issued in early 2000) are presented below.

Management of human resources

17. Focus areas of the audit were human resource planning, staffing/recruitment, management of ALDs and special service agreements (SSAs), performance management, and human resource information systems. Much of the human resource management of local staff is completely decentralized to the country offices. Given this high level of decentralization, more needs to be done to provide training (particularly to smaller offices), to strengthen the oversight role of the Office of Human Resources (OHR) and to enhance accountability for non-compliance. The recently introduced human resource management module (part of the Country Office 2001 Suite) is expected to improve the level of oversight by collecting personnel data in a consistent format and on a timely basis. Recommendations for the simplification and rationalization of ALD and SSA guidelines have been accepted and partially implemented by OHR. Another concern of the audit was the integrity of the Integrated Management Information System (IMIS) human resources data, particularly with regard to its implications for the IMIS Release 4 (payroll module) yet to be implemented. The task of cleaning up the data is under way and continues to receive high priority. Finally, the audit included a number of recommendations in the area of performance management. OHR is in the process of drafting new guidelines for performance management, which is expected to be introduced later this year.

Table 2
Internal audit and oversight services provided in 1999

	In process (01/01/99)	*Projects initiated*	*Reports issued*	*In process (31/12/99)*
UNDP — Control self-assessment (CSA) sessions	0	33	33	
UNDP — Internal audits and reviews	13	70	76	7
UNDP — National execution audits	7	11	10	8
UNDP — Analysis of national execution reports	0	1 231	1 231	
UNFPA — Internal audits and reviews	6	36	28	14
UNOPS — Internal audits and reviews	4	36	31	9
	30	**1 417**	**1 409**	**38**
Special audits and investigation cases	31	25	23	33
	61	**1 442**	**1 432**	**71**

Oversight of trust funds

18. In 1999 OAPR audited the oversight of trust funds because of the unique financial risks presented by them as compared to UNDP core resources. The most important risks are that donor contributions are accounted for separately, i.e., a deficit in one trust fund cannot normally be covered by a surplus in another and that, until recently, there were insufficient operational reserves for the trust funds. The audit noted that UNDP has recently taken action, in the context of UNDP 2001, to strengthen the central oversight and monitoring functions over trust funds. The major actions were the consolidation of the programme finance functions and outposted finance staff in one unit, the Division for Resources Planning and Coordination (DRPC), and the issuance of revised procedures for designating trust fund managers and revised responsibilities of trust fund managers. Other ongoing efforts include the incorporation of both core and non-core resources into the Financial Management Information System (FIMS), The standardization of the reporting formats and streamlining of the reporting procedures to donors, the review and eventual closure of inactive trust funds and the determination of sufficient trust fund administration fees. A key remaining issue is the absence of a corporate-wide policy with respect to donor reporting and evaluation activities. UNDP senior management will address this issue in 2000.

Review of direct execution project

19. A management review of the UNDP Electricity Network Rehabilitation Programme for Northern Iraq was conducted in late 1999 to assess the programme structure and activities since UNDP took over in July 1999. Given the short period of activities, OAPR focused on identifying the areas that required reinforcement. Substantial efforts have been made to set up the programme and to transfer operations from execution by the Department of Economic and Social Affairs of the United Nations Secretariat to direct execution. These efforts are most noticeable in the areas of international procurement and finance. Three critical areas were identified as requiring additional improvement: delegation of authority, personnel and inventory management. Other areas where management has initiated organizational actions but where further work is needed include reporting, information systems and communication. ENRP management has indicated that actions have been taken and/or initiated to address the audit observations and recommendations.

C. Internal audits of country offices

20. During 1999, OAPR provided internal audit and related services to 64 of the 134 country offices. A total of 64 internal audit reports were issued, which contained 2,297 recommendations. Of these, 2,121 (89 per cent) were accepted by auditees and have been or

are being implemented. The remaining 294 recommendations (11 per cent) are still being pursued. Below is listed the distribution of recommendations by function:

Organization and financial operations	477
Programme matters	562
General administration	503
Personnel administration	500
Office automation	255
	2 297

21. The following shows the breakdown by region of the 64 internal audit reports of country offices issued in 1999:

Asia and the Pacific	14
Arab States	15
Latin America and the Caribbean	11
Europe and the Commonwealth of Independent States	2
Africa	22
	64

22. Below is a list of the recurring issues identified in these reports along with OAPR recommendations for corrective action. The Administrator has noted the recommendations and has instructed the appropriate units to follow up to ensure that action is taken.

Organizational and financial operations

Finance Manual

23. Monitoring country office compliance with the Finance Manual is complicated by the fact that it is outdated and requires revision. The Bureau of Management (BOM) is in the process of streamlining the Finance Manual as part of a major plan to revise UNDP financial regulations and rules. The initial draft of the Finance Manual is scheduled for release in mid-April 2000 and will be updated, as appropriate, on an ongoing basis.

Advances recoverable locally (ARL)

24. Internal audits have continued to find problems in this area, including long-outstanding advances, lack of appropriate advance approval and improper classification between UNDP and non-UNDP categories. In 2000 OAPR and BOM will investigate ways to strengthen the oversight and follow-up of country office ARLs. A current, related BOM initiative is a detailed analysis of country office accounting systems, processes and procedures with recommendations for improvement.

Emergency advances

25. UNDP procedures permit country offices to authorize emergency advances to staff members in the event of a genuine emergency that meets certain criteria. Internal audits revealed that in many country offices advances were approved without due to care to ensure that staff members did not use this accommodation as an interest-free credit line, especially when there were credit facilities available. In countries where problems were noted, OAPR has advised the resident representative to initiate a detailed analysis of local credit facilities prior to issuing further advances.

Cash management

26. Internal audits noted a lack of adequate control over petty cash, including incomplete petty cash books, replenishments exceeding limits, custodians not designated in writing and independent cash counts not conducted. In these instances, OAPR has recommended that resident representatives carry out periodic reviews of petty cash procedures.

Programme matters

Programme resources

27. In six country offices, internal audits revealed instances in which programme resources were used for operational requirements. The Administrator has asked the Oversight Group to determine the size and scope of this issue in 2000 and to make recommendations for corrective action.

Completed projects

28. Internal audits continued to observe problems in the designating of projects as operationally and also

financially complete in a timely fashion. The delay in financial closure comes as a result of late responses from the United Nations organizations, discrepancies between country office financial records and those of headquarters, and lack of country office follow-up. The new Programming Manual, issued in early 1999, addresses these problems by requiring resident representatives to close projects if the executing agency fails to do so in a timely manner. Furthermore, BOM has completed a work plan to accelerate the closure of projects. OAPR will monitor whether the new procedures are having the desired impact or whether additional measures are required.

Programme reporting under national execution

29. In 1999, internal audits noted numerous instances where government delivery reports and reconciliations of advances had not been submitted on a timely basis. A major contributing factor to this problem was the somewhat complex UNDP reporting requirements for national execution, which have been considerably simplified in line with efforts to revise procedures. In 1999, internal audits noted fewer problems.

Programme monitoring and reporting

30. Internal audits revealed that a number of country offices failed to comply with certain UNDP procedures for monitoring projects, e.g., lack of documentation on project visits, annual programme/project reports not prepared and tripartite review meetings not held. In its recommendations to country offices, OAPR has stressed the need to improve the monitoring process. For example, programme officers should be responsible for documenting their field visits to projects and for communicating their findings both in writing and verbally. As in 1998, OAPR points out that many country offices emphasize the fact that they employ other mechanisms (other meetings held and reports prepared) which are adequate in achieving the monitoring objectives. The Evaluation Office, the unit responsible for maintaining the monitoring and evaluation sections of the Programming Manual, is aware of these country office views. A major revision of these sections is presently under way in the context of the multi-year funding framework (MYFF) and the strategic results framework (SRF).

Programme inventory

31. Executing agencies are expected to maintain a detailed inventory of all non-expendable equipment, to perform an annual physical count and to submit the detailed inventory to UNDP annually. Internal audits, however, revealed that such duties often went unfulfilled which may result in inadequate control over project inventory and possibly lead to a loss of equipment. The Administrator has asked the Oversight Group to explore possible solutions. Preliminary work to date suggests that clearly establishing ownership of non-expendable equipment in project documents, particularly when purchased with government or cost-sharing funds, could be a crucial first step.

General administration

32. Most findings in the area of general administration relate to non-compliance with procedures contained in the Manual for Operations Management (MOM) and the General Administration Manual (GAM). The BOM is aware that certain sections of the GAM need to be updated and incorporated into the MOM at which time the GAM will be officially discontinued. In 2000, OAPR will continue to provide feedback to BOM to ensure that the MOM is current and that, where non-compliance is due to lack of awareness, appropriate communication and training take place.

Procurement of goods and services

33. Internal audits noted ongoing problems resulting from the lack of compliance with UNDP policies and procedures. Audit testing of procurement transactions revealed tender procedures stemming from unheeded competitive quotes, breached authority limits, lack of formal delegation of authority, and insufficient supporting documentation. BOM is currently addressing key areas, including the segregation of duties and procurement in excess of delegated authorities, revising UNDP financial rules and regulations and the new procurement framework. In 2000 OAPR will monitor the implementation of these changes.

Inventory

34. Internal audits noted a lack of documentation and monitoring activities with regard to inventory. In numerous country offices monthly inventory reports

are not prepared, decal numbers are not affixed on each item and annual physical counts of equipment are not conducted. Furthermore, many country offices did not use the FOINVENT system for inventory control and did not submit annual inventory listings to headquarters. In most cases, country offices were familiar with the requirements of the relevant UNDP manuals but, because of limited staff resources, were unable to complete these tasks. Many offices also reported that FOINVENT is out of date and does not function properly. In 2000, BOM released a new procurement module as part of the Country Office 2001 Suite to replace FOINVENT. This new module should improve the quality and timeliness of reporting and reduce the amount of time country offices need to spend on maintaining their inventory records. OAPR will continue to advise country offices to perform annual inventory counts to detect missing inventory items.

Common services

35. Internal audits, particularly in Latin America and the Caribbean, observed that country offices often share office space and other common costs, such as electricity and telephone with other United Nations and non-United Nations organizations. However, not all offices have established formal agreements for the sharing of costs, which could lead to future disputes. OAPR has recommended that country offices conclude formal agreements as soon as possible.

Vehicles

36. Internal audits revealed numerous instances of non-compliance with UNDP procedures in this area. The BOM is aware of such instances of non-compliance and will consider whether it is possible to streamline procedures in order to find a more efficient way to control and monitor vehicle expense.

Personnel administration

Activities of limited duration, special service agreements and service contracts

37. Internal audits continued to note instances of non-compliance with UNDP guidelines for SSAs. These include lack of an appropriate, competitive, recruitment process, of performance evaluations, of compliance with duration limits and the non-submission of reports to headquarters. In 1999 audits came across instances in which contracts were not signed by the Resident Representative. The Administrator, however, is pleased to note that many of these compliance problems have been addressed in a recent circular from OHR simplifying SSA guidelines. As noted in paragraph 17, OHR will address any remaining issues through reinforced monitoring.

38. To address the widespread lack of compliance with the duration limits of SSAs, in late 1998 OHR introduced guidelines for two additional modalities: service contracts and contracts for activities of limited duration. While internal audits noticed improvements in 1999, some country offices continue to rely on SSAs to carry out long-term functions. Furthermore, many offices, particularly in Latin America and the Caribbean, are using service contracts to perform functions that are integral to office operations rather than hiring staff on ALD contracts or regular fixed-term contracts. Internal audits noticed an overall reluctance to convert SSAs and service contractors to ALD contracts. Some of the reasons cited by country offices include lack of familiarity with the ALD modality, restriction of ALD contracts to three years (exceptionally four years), higher overall cost to UNDP and increased complexity. With the aid of the country office concerned, OHR will further investigate the reasons for this reluctance and will address them via training or through guideline revisions.

Performance appraisal and promotion

39. In approximately half the country offices, internal audits found that the performance appraisal process, including promotion decisions for local staff, was either not completed or not completed in a timely manner. As noted in paragraph 17, OHR has undertaken a project to overhaul the performance appraisal process and to address the problems raised by internal audits.

Personnel records

40. Internal audits observed discrepancies in the field-office staffing table (FOST) in numerous country offices. These discrepancies included missing pension fund numbers, the grade of staff members being higher than the authorized post and discrepancies in the expiration dates of contracts. Most country offices stated that the FOST software is not Y2K compliant, is out of date and is not flexible enough to introduce the required changes. A related audit finding was the

inadequate maintenance of personnel records. Country offices are currently required to prepare reports for each type of contract, thereby making it difficult for country offices to control the completeness, existence and accuracy of all types of employment contracts. BOM has recently introduced a new human resource management module as part of the Country Office Suite 2001 that should address these problems in 2000.

Office Automation

Financial Information Management System (FIMS)

41. FIMS was officially released to country offices in late 1997. Internal audits conducted in 1998 observed that some country offices were only partially using FIMS and others not at all. In 1999, the regional bureaux and BOM took strong measures to promote the increased usage of FIMS by country offices. The result is much improved usage, as reflected in usage statistics maintained by BOM and in fewer internal audit observations of non-usage.

Windows Field Office Accounting System (WINFOAS)

42. In 1999, BOM introduced a new country office accounting system, WINFOAS. Internal audits noted that country offices were struggling to use the new system as a result of numerous viruses and lack of sufficient training. By the end of 1999, subsequent versions of WINFOAS had addressed most of the viruses. The key remaining issue is that WINFOAS data files are not adequately protected against unauthorized alteration. OAPR is working with BOM in 2000 to address this problem.

Training, data security and control

43. Internal audits continued to note instances of inadequate back-up procedures, lack of formal disaster-recovery plans, ineffectual use of passwords to protect against unauthorized access to information, obsolete hardware and absence of software licenses. Many of the problems stem from a lack of awareness of UNDP guidelines for office automation. In 2000, OAPR will work with BOM to ensure that the relevant guidelines are updated and communicated.

D. National execution

44. UNDP Financial Regulation 17.2 requires Governments to submit audited financial reports for nationally executed projects and programmes. Over the years, OAPR has collaborated with the United Nations External Board of Auditors to increase the extent of audit coverage for national execution projects and programmes to eliminate the qualification of UNDP financial statements. However, a number of factors jeopardize the likelihood of achieving sufficient audit assurance within the deadlines established by the Board of Auditors.

45. In 1999, a total of 1,352 reports were received from 108 countries. This represented an audit expenditure of approximately $1.1 billion out of a total recorded expenditure of $1.5 billion (70 per cent).

46. Of the 1,352 reports received, 1,231 were evaluated (from 104 countries) and the findings were reported to the country offices concerned. Compared to the year before, significant improvement was noted in the number, timeliness and quality of audit reports received from country offices and in their follow-up to audit findings. Despite these improvements, a number of significant concerns remain:

(a) Internal controls: of the 1,231 reports reviewed, 422 (34 per cent) revealed weak or, in some cases, non-existent internal controls;

(b) Project management structure: 160 of the reports reviewed (13 per cent) revealed weaknesses in the management structure and/or the capacity of project and programme personnel;

(c) Financial monitoring: 113 of the reports reviewed (9 per cent) revealed poor, inadequate or non-existent financial monitoring and record-keeping by project managers, country offices and executing agencies or coordinating authorities;

(d) Procurement and equipment: 215 of the reports reviewed (18 per cent) revealed poor record-keeping and/or mismanagement of project vehicles and other non-expendable equipment. Furthermore, 99 reports (8 per cent) revealed non-compliance with government or UNDP rules for the procurement of goods and services and contracting of personnel.

47. The services of private-sector firms are increasingly being used to carry out national execution audits. In 1999, government auditors performed the

audits in only 38 of the 104 countries reviewed. UNDP has recognized this trend and has included provisions for the payment of these fees in the new national execution guidelines. In 1999, OAPR initiated a review of the costs of national execution audits. Preliminary findings indicate that the costs of audits vary significantly among projects. OAPR will continue to work on this matter in 2000.

48. To address these concerns and meet the need for increased national execution capacity among the various parties involved, UNDP is establishing a national execution support unit within the Operational Support Group. As indicated in paragraph 12, two posts are being redeployed from OAPR to staff this new unit. The task of planning and assessing audit reports will remain with OAPR.

E. Special audits and investigation cases

49. In all, there were 56 special audit and investigation cases active during 1999, an increase of 6 per cent over the previous year. Of these, 25 were initiated during the year and 31 were carried forward from the previous year. At the end of the year, 33 cases were still active. The issues ranged from allegations of fraud and serious misconduct to inadequate performance and potential conflicts of interest.

50. Several cases are being dealt with in cooperation with the Office of Internal Oversight Services, including that of the Reserve for Field Accommodation, a case that now involves legal action against two individuals.

V. Executive Board action

51. The Executive Board may wish to:

1. *Take note* of the report of the Administrator on internal audit and oversight services (DP/2000/21);

2. *Express support* for the continued strengthening of the internal audit and oversight resources of the United Nations Development Programme.